



Office of the Inspector General
U.S. Department of Justice



**Audit of the
Office on Violence Against Women
Cooperative Agreements
Awarded to ASISTA
Des Moines, Iowa**

AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN COOPERATIVE AGREEMENTS AWARDED TO ASISTA DES MOINES, IOWA

EXECUTIVE SUMMARY

The U.S. Department of Justice, Office of the Inspector General (OIG), Audit Division, has completed an audit of two cooperative agreements, totaling \$1,850,000, awarded by the Office on Violence Against Women (OVW) to Advanced Special Immigrant Survivors Technical Assistance (ASISTA), as shown in the following table.¹

Table 1
Cooperative Agreements Awarded to ASISTA

Award	Award Date	Project Start Date	Project End Date	Award Amount
2009-TA-AX-K009 (TA Project)	08/14/2009	05/01/2009	09/30/2015	\$1,650,000
2012-TA-AX-K029 (Legal Training Project)	09/11/2012	10/01/2012	06/30/2015	200,000
Total:				\$1,850,000

Source: Office of Justice Programs' (OJP) Grants Management System (GMS)

ASISTA received award 2009-TA-AX-K009 from OVW to provide training and technical assistance on legal immigration options for survivors of domestic violence and sexual assault, and to implement products that provide training and technical assistance on sexual violence against immigrant women in the workplace. In addition, ASISTA also received from OVW award 2012-TA-AX-K029, to provide trial advocacy or litigation skills training and provide immigration proceeding training and technical assistance for non-government victim service organizations.

The objective of our audit was to review performance in the following areas: (1) accounting and internal control environment; (2) cooperative agreement drawdowns; (3) budget management and control; (4) program income; (5) cooperative agreement expenditures, including personnel costs; (6) program performance and accomplishments; (7) federal financial and progress reports; (8) monitoring of contractors; and (9) compliance with other cooperative agreement requirements.

We examined ASISTA's accounting records, financial and progress reports, and operating policies and procedures and identified various areas of needed improvement and dollar-related findings totaling \$165,976, as follows.

¹ ASISTA is an acronym for "Advanced Special Immigrant Survivors Technical Assistance."

- ASISTA collected \$105,440 in program income by charging membership and webinar fees for certain individuals to attend OVW-sponsored webinars, but ASISTA did not receive OVW approval to earn program income and did not track and report this income on its Federal Financial Reports. Further, ASISTA did not have internal control procedures to properly account for program income.
- ASISTA overcharged the Legal Training Project by approximately \$52,764 because the amounts recorded into its general ledger were based on estimated percentages of hours worked and not actual hours worked by ASISTA personnel.
- We found 84 instances in which human error resulted in inaccurate or incomplete general ledger entries.
- ASISTA did not properly allocate general expenses to its three revenue-generating sources (the two OVW cooperative agreements and private funds) resulting in 13 general expense categories being improperly allocated only to the cooperative agreements.
- ASISTA provided incomplete and inaccurate performance statistics in its progress reports.
- ASISTA did not have a formal procedure for hiring or monitoring consultants.
- ASISTA hired one of its board members as a consultant, which we identified as a conflict of interest. As a result, we questioned \$7,772 in consultant expenses.

The report contains eight recommendations, which are detailed in the Findings and Recommendations section of the report. We discuss our audit objective, scope, and methodology in Appendix 1.

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INTRODUCTION

The U.S. Department of Justice (DOJ), Office of the Inspector General (OIG), Audit Division, has completed an audit of two cooperative agreements, totaling \$1,850,000, awarded by the Office on Violence Against Women (OVW) to Advanced Special Immigrant Survivors Technical Assistance (ASISTA), as shown in Table 2.

Table 2
Cooperative Agreements Awarded to ASISTA

Award Number	Award Date	Project Start Date	Project End Date	Award Amount
2009-TA-AX-K009	08/14/2009	05/01/2009	09/30/2015	\$1,650,000
2012-TA-AX-K029	09/11/2012	10/01/2012	06/30/2015	200,000
Total:				\$1,850,000

Source: Office of Justice Programs' (OJP) Grants Management System (GMS)

ASISTA received award 2009-TA-AX-K009 (TA Project) from OVW to provide training and technical assistance on legal immigration options for survivors of domestic violence and sexual assault, and to implement products that provide training and technical assistance on sexual violence against immigrant women in the workplace. ASISTA provides these services to other OVW grantees who are receiving or have ever received funding under various OVW grant programs, such as the Legal Assistance for Victims Outreach Program; Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program; and Rural Domestic Violence, Dating Violence, Sexual Assault, Stalking, and Child Victimization Enforcement Program, to name a few.

ASISTA also received from OVW award 2012-TA-AX-K029 (Legal Training Project) to provide trial advocacy or litigation skills training and immigration proceeding training and technical assistance for non-government victim service organizations. Through this project, ASISTA worked with the American Bar Association Commission on Domestic and Sexual Violence to train several OVW grantee populations on how to help non-citizen survivors in immigration proceedings. ASISTA targeted 40 participants who were lawyers or accredited representatives and their domestic violence or sexual assault advocate partners. Participants benefited by learning both general trial practice skills and how to bring cases into immigration court (or avoid doing so, when preferable). In addition, ASISTA provided one-on-one mentoring to participants. ASISTA conducted a webinar training series for lawyers and advocates, which included tests and homework for each webinar. In addition, ASISTA ran a 1-day, in-person training institute.

Background

The mission of OVW, a DOJ component, is to provide federal leadership in developing the nation's capacity to reduce violence against women and administer justice for and strengthen services to victims of domestic violence, dating violence, sexual assault, and stalking. Created in 1995, OVW administers financial and technical assistance to communities and organizations across the country that are developing programs, policies, and practices aimed at ending domestic violence, dating violence, sexual assault, and stalking.

ASISTA is a non-profit organization incorporated and located in Des Moines, Iowa. Its purpose is to centralize assistance for advocates and attorneys facing complex legal problems in advocating for immigrant survivors of domestic violence and sexual assault. ASISTA's goal is to enable service providers to offer accurate and up-to-date help to immigrant survivors of domestic violence and sexual assault.

Our Audit Approach

The objective of the audit was to assess performance in the key areas of grant management that were applicable and appropriate for the cooperative agreements under review. We tested compliance with what we consider to be the most important conditions of the cooperative agreements. Unless otherwise stated in our report, the criteria we audit against are contained in the OVW Financial Guide, the Code of Federal Regulations (CFR), Office of Management and Budget (OMB) Circulars, and cooperative agreement award documents.² We tested ASISTA's:

- **Accounting and Internal Controls** to determine whether ASISTA had sufficient accounting and internal controls in place for the processing and payment of funds and to verify that these internal controls accounted for safeguarding cooperative agreement funds and ensuring compliance with the terms and conditions of the cooperative agreements;
- **Drawdowns** to determine whether cooperative agreement drawdowns were adequately supported in accordance with federal requirements;
- **Budget Management and Control** to examine the amounts budgeted and the actual costs for each approved cost category and determine if ASISTA deviated from the approved budget, and if so, if ASISTA received the necessary approval;
- **Program Income** to determine how the funds were accounted for and expended, and whether this was in accordance with the requirements of the applicable guidelines.

² We also refer to guidance from the Office of Justice Programs (OJP), another DOJ grant-awarding component, in discussing ASISTA's grant activities that occurred prior to 2012. The OJP Financial Guide was the primary governing document for ASISTA's cooperative agreement-related work prior to 2012, when OVW issued its own financial guide.

- **Expenditures** to determine the accuracy and allowability of costs charged to the agreements;
- **Program Performance and Accomplishments** to determine if ASISTA met or is capable of meeting the cooperative agreements' objectives and whether ASISTA collected data and developed performance measures to assess accomplishments of the intended objectives;
- **Reporting** to determine whether required reports accurately reflected award activity;
- **Monitoring of Consultants/Contractors** to determine if ASISTA provided adequate oversight and monitoring of its consultants/contractors; and
- **Compliance with Other Cooperative Agreement Requirements** to determine whether ASISTA complied with award guidelines and special conditions.

We also performed limited work and confirmed that ASISTA was not required to contribute any local matching funds, did not use grant funds to purchase property, and did not charge indirect costs to the cooperative agreements. Therefore, we did not perform testing in these areas.

Our findings and recommendations are detailed in the Findings and Recommendations section of this report. Our audit objective, scope, and methodology appear in Appendix 1.

FINDINGS AND RECOMMENDATIONS

Our audit revealed deficiencies related to ASISTA's grant management practices and identified dollar-related findings totaling \$165,976. Specifically, we found that ASISTA did not report \$105,440 in program income on its Federal Financial Reports and misallocated \$52,764 in salary expenditures to the Legal Training Project. Additionally, ASISTA had 84 instances of inaccurate or incomplete entries in its general ledger. Moreover, ASISTA did not allocate general expenditures appropriately and charged a majority of its general expenses only to the two federally funded cooperative agreements rather than to all of its revenue sources. We also determined that ASISTA reported inaccurate statistical data to OVW. Further, ASISTA did not have a formal procedure for hiring or monitoring consultants. Lastly, ASISTA hired a board member as a consultant, which is a conflict of interest and against OVW guidelines, resulting in an additional \$7,772 in questioned costs.

We performed audit work at ASISTA's office in Des Moines, Iowa, where we interviewed key ASISTA personnel to obtain an understanding of the accounting system and tested a sample of cooperative agreement expenditures. We reviewed the criteria governing cooperative agreement activities, including the OVW Financial Guide, OJP Financial Guide, relevant OMB Circulars, and CFRs. In addition, we reviewed cooperative agreement documents, including the applications, awards, budgets, financial reports, and progress reports.

Accounting and Internal Controls

According to the OVW Financial Guide, cooperative agreement recipients are required to establish and maintain accounting and internal control systems to account accurately for funds awarded to them. Further, the OJP Financial Guide states that the accounting system should ensure, among other things, the identification and accounting for receipt and disposition of all funds, funds applied to each budget category included in the approved agreement, expenditures governed by any special and general provisions, and non-federal matching contributions.

While our audit did not assess ASISTA's overall system of internal controls, we did review the internal controls of ASISTA's financial management system specific to the management of DOJ cooperative agreement funds during the cooperative agreement periods under review. We developed an understanding of ASISTA's financial management system and its policies and procedures to assess ASISTA's risk of non-compliance with laws, regulations, guidelines, and terms and conditions of the cooperative agreements.

Financial Management System

The OVW Financial Guide requires grantees to establish and maintain a system of accounting and internal controls that adequately identifies and classifies cooperative agreement costs. Further, the OJP Financial Guide states that grantees should establish and maintain program accounts that will enable, on an individual basis, the separate identification and accounting of the receipt and disposition of all funds and the application of all funds to each budget category included within the approved award.

Our limited review of ASISTA's financial management system included interviewing personnel, observing accounting activities and processes, and reviewing ASISTA's Accounting and Operations manuals. This review indicated that ASISTA established and maintained a unique identifier for all OVW award-related accounting activities. In addition, ASISTA had internal operating procedures that identified controls established for separation of duties, system security, and multiple levels of approval for payments.

Single Audits

According to the special conditions of the cooperative agreements, the OVW Financial Guide and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, any organization that expends \$500,000 or more in federal funds in the organization's fiscal year (FY) is required to have a single organization-wide audit conducted. As shown in Table 3, ASISTA's expenditures of federal funds did not exceed \$500,000 during any fiscal year since the award of the first cooperative agreement in 2009; therefore, a single audit was not required.

Table 3
ASISTA Expenditures of Federal Funds
FYs 2009 through 2014³

Fiscal Year	Total Federal Expenditures
2009	\$39,038
2010	\$259,740
2011	\$325,762
2012	\$402,203
2013	\$357,377
2014	\$322,709

Source: ASISTA

Drawdowns

The OVW Financial Guide requires recipient organizations to time drawdown requests to ensure federal cash on hand is the minimum needed for disbursements to be made immediately or within 10 days. We reviewed ASISTA's process for

³ ASISTA's fiscal year begins on July 1 and ends on June 30.

requesting reimbursement for its cooperative agreement-related costs to ensure that the requests were adequately supported by official accounting records and were in accordance with federal requirements.

ASISTA officials stated that drawdowns were requested on a reimbursement basis and that it calculated its drawdown amounts by generating expenditure reports for the period from its accounting system. As of March 31, 2015, ASISTA requested \$1,417,152 in drawdowns for Cooperative Agreement 2009-TA-AX-K009 and \$192,485 in drawdowns for Cooperative Agreement 2012-TA-AX-K029. We reviewed the total drawdowns for both cooperative agreements and determined that funds were drawn down on a reimbursement basis and, for each period reviewed, matched expenditures as recorded in ASISTA's accounting records.

Budget Management and Control

According to the OVW Financial Guide, a grantee may transfer funds between approved budget categories without OVW approval if the total transfers are 10 percent or less than the award amount. Requests for transfers of funds between budget categories of over 10 percent must be submitted to OVW for approval.

For each cooperative agreement, we compared the total expenditures by budget category from the ASISTA accounting system to the budget categories approved by OVW. OVW approved detailed budgets for each award, and the budgets were organized by defined budget categories. We found that ASISTA did not exceed the 10-percent transfer threshold for either cooperative agreement.

Program Income

Program income is the gross income received by a grantee directly generated by a grant-supported activity, or earned only as a result of the grant agreement during the grant period. Grantees may earn income to defray program costs. Program income includes income from fees or services performed. Further, program income earned must be used to pay for program activities before an organization may request additional funds or drawdowns. Cooperative agreement recipients must report any program income on the quarterly financial activity reports submitted to OVW. Finally, the 2012 OVW Financial Management Guide states that grantees must maintain records that adequately identify the source and application of program income.⁴

The OVW awards required ASISTA to provide training and technical assistance to OVW grantees and their project partners, consultation/mentoring to support OVW grantees and their partners, prepare and present various webinar trainings, and produce newsletters. However, ASISTA made cooperative agreement-supported training events and materials available outside of the OVW-grantee network and received membership and webinar fees from those

⁴ Criteria include the CFR, Title 28, Part 70.24; 2009 OJP Financial Guide; and the 2012 and 2013 OVW Financial Management Guides.

participants. In fact, ASISTA advertised these training events and materials on brochures that ASISTA printed and paid for with OVW funds and included information regarding the non-OVW grantee membership and webinar fees. For example, in a June 2014 webinar, 50 of the 119 participants (42 percent) were non-OVW grantees who paid to participate in the webinar. We found that from October 2010 through December 2014, ASISTA private members participated in more than half of the OVW-sponsored webinars. Further, the ASISTA brochure specifically states that one of its member benefits was access to non-OVW webinars. However, we found that most of the webinars provided to the private members were created by ASISTA and funded by OVW for use by OVW partners. Overall, we found that since July 2009, ASISTA received \$105,440 in membership (\$98,215) and webinar (\$7,225) fees from non-OVW grantees and did not report this revenue to OVW.

ASISTA did not disclose the income from the membership or webinar fees in any of its applications for the audited technical assistance awards. In addition, the OVW Final Review Memoranda for the TA Project stated there was no program income. Although ASISTA did account for income received from private members on a separate general ledger, ASISTA did not report this program income on its quarterly financial activity reports submitted to OVW. Further, we did not find any evidence that ASISTA used the program income earned from the membership dues and fees to pay for program activities before requesting additional funds or drawdowns for the TA project.

We believe that because non-OVW members paid fees to participate in OVW-funded webinars, ASISTA should have specifically requested approval for and reported to OVW the \$105,440 in membership and webinar fees as program income. ASISTA informed us it intended to apply for 2015 OVW funding to continue to provide training and technical assistance to OVW grantees. The 2015 OVW Technical Assistance Solicitation requires applicants that anticipate earning program income to include in their budget how the income will be spent. If approved, OVW requires that the program income will be in addition to the award amount and must be used for allowable activities or the program. According to the guidance issued, recipients that earned income but did not anticipate earning program income at the time of the award must use the income generated for allowable activities of the program and reduce the award amount (rather than increase funds available for the program).

We recommend that OVW require ASISTA to establish formal internal control procedures to fully account for program income directly generated by grant-supported activity. Further, we recommend OVW ensure that ASISTA officially reports the program income to OVW and uses the \$105,440 in identified program income in accordance with award requirements.

Expenditures

The OVW Financial Guide requires that expenditures be accounted for and adequately supported. The majority of ASISTA's budgeted categories for the TA

and Legal Training Projects were for personnel costs. The approved budget amounts and additional detail on the budget categories for the cooperative agreements can be found in Appendix 2 and Appendix 3, while the following table provides an overview of the approved budgets.

Table 4
Approved Budgets

Category	TA Project	Legal Training Project	Total
Personnel	\$1,160,476	\$115,367	\$1,275,843
Fringe Benefits	147,140	17,438	164,578
Travel	35,743	13,987	49,730
Supplies	45,054	3,360	48,414
Contractual	152,361	42,129	194,490
Other	109,226	7,719	116,945
Total Budgeted	\$1,650,000	\$200,000	\$1,850,000

Source: ASISTA award documentation

We reviewed cooperative agreement expenditures to determine if costs charged to the two agreements were allowable, supported, and properly allocated in accordance with cooperative agreement requirements. Of the total \$1,609,637 in expenses billed to the two agreements as of March 31, 2015, we tested \$744,396 in personnel costs and 113 non-personnel transactions totaling \$86,122. For the non-personnel transactions, 50 percent were high-dollar transactions, and we judgmentally selected the remaining 50 percent of the transactions from ASISTA's general ledger. Our sample included expenses from all budget categories.

ASISTA maintained financial records specific to its cooperative agreements and separate financial records specific to its non-OVW funded activities. We reference ASISTA's financial records as either its "cooperative agreement ledgers" to reflect the records kept to track ASISTA's OVW-funded financial activities, or its "private funds ledger" to refer to the records kept to track ASISTA's non-OVW funded work.

Payroll Expenditures

The 2012 OVW Financial Management Guidelines state that charges made to federal awards for personnel services (including, but not limited to salary, wages, and fringe benefits) will be based on payrolls documented in accordance with the generally accepted practice of the organization and be approved by a responsible official of the organization. Further, where salaries apply to the execution of two or more grant programs, cost activities, project periods, and/or overlapping periods, proration of costs to each activity must be made based on time and/or effort reports. These reports should be signed by the employee and also be reviewed and approved by a supervisory official. Finally, OMB Circular A-122 states that support of salaries and wages must reflect an after-the-fact determination of the actual

activity of each employee. Budget estimates do not qualify as support for the charges to the award.

We reviewed both cooperative agreements' payroll expenditures to determine if costs charged to the two agreements were in accordance with the requirements, were computed correctly, properly authorized, properly allocated, and accurately recorded in the accounting records. In total, we tested \$744,396, which was comprised of \$666,422 tested in salary and \$77,974 in fringe benefits charged by ASISTA to the two agreements.

We tested ASISTA's payroll records to ensure it allocated hours properly among the two cooperative agreements and other, non-OVW supported work, when appropriate. We reviewed the timesheets for all personnel employed by ASISTA from February 2013 through March 2015 in order to determine that the actual hours worked on the cooperative agreements were consistent to what was being expensed to the cooperative agreement general ledgers. However, we found that ASISTA did not use these time sheets and instead charged the two OVW cooperative agreements an estimated percentage of hours rather than actual hours worked. As a result, we determined ASISTA overcharged the Legal Training Project by approximately \$52,764 in misallocated salary expense, and we question these costs.

Additionally, during our payroll testing we identified no documentation of supervisory review for 7 of the 21 timesheets tested, and on occasion payroll expense and monthly benefit allowances exceeded approved rates in the OVW-approved budget. The discrepancies in the individual payroll testing had an immaterial dollar variance; as a result, we are not questioning these costs.

In summary, ASISTA did not follow OVW Financial Management Guidelines and OMB Circular A-122 to base payroll expenses on actual hours worked rather than budgeted hours and to ensure that timesheets receive proper supervisory approval. As a result, we recommend OVW require ASISTA to re-evaluate its internal controls to ensure that payroll expenses are based on actual hours by project and include supervisory review and OVW take necessary action to remedy the \$52,764 in questioned costs.

Non-Payroll Expenditures

For the TA project, we tested 65 non-personnel transactions totaling \$55,997, and for the Legal Training Project we tested 48 transactions totaling \$30,125. Our testing revealed numerous instances of omissions and inaccuracies throughout ASISTA's general ledger. For example, we identified that 51 check numbers and 26 transaction descriptions were not recorded on the general ledger. Additionally, we found four instances where the transaction dates recorded on the general ledger were prior to the dates on the invoice and there were three instances where ASISTA misclassified the expenditures by mistakenly inputting the expense in the wrong category. We also found that the majority of the transactions tested did not show evidence of supervisory review.

We believe that the 84 instances of omissions and inaccuracies in the general ledger should be addressed. ASISTA's 2009 and 2015 Financial Procedures Manuals require the office manager to make accounting system entries and these entries are to be reviewed by the financial consultant. We believe that the controls in place were adequate to produce accurate and reliable financial records and that the deficiencies we identified were due to human error. Therefore, we recommend that OVW require ASISTA to reiterate to its employees the importance of following established procedures.

Allocation of General Expenditures

OVW guidelines state that a cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received. As previously noted, we found that ASISTA had three general ledgers, consisting of one each for the two cooperative agreements and a private funds general ledger. The private general ledger was for non-government funds received by ASISTA. This revenue consisted of the aforementioned private membership and webinar fees, as well as other revenue.

ASISTA allocated general operating expenses between the two cooperative agreements, but did not allocate a percentage of such expenses to its private revenue sources. For example, none of the rent (\$27,824) or computer equipment (\$18,666) expenses were allocated to private funds. Another example was that ASISTA only charged one expenditure for a professional membership fee (\$100) to its private ledger while all other similar transactions for fees and dues were charged to the TA Project (\$13,178).⁵ Overall, we found that between FY 2009 and FY 2015, at least 13 types of general operating expenses could have been allocated among all revenue sources because these expenses were general expenses and ASISTA did both award-related and non-award related work, and thus these expenses were not allocable solely to the cooperative agreements. Because ASISTA charged its general ledgers estimated salary expenses rather than actual hours expended by project, we were unable to determine the exact level of effort for the two cooperative agreements and ASISTA's private work. As a result, we were unable to calculate a definitive amount of questioned costs for ASISTA's failure to properly allocate general operating expenses. We recommend OVW work with ASISTA to properly allocate costs across all relevant income areas and ensure that any over-expense of award funds is remedied.

Program Performance and Accomplishments

To determine if ASISTA met the goals of the two cooperative agreements, we interviewed ASISTA officials, reviewed the original cooperative agreement applications, and examined supporting documentation related to the achievement of cooperative agreement objectives.

⁵ These transactions included, for example, ASISTA's subscription to an online legal research service.

For the TA Project, ASISTA was to provide training and technical assistance on legal immigration options for survivors of domestic violence and sexual assault, and to implement products that provide training and technical assistance to enhance the capability of OVW grantees to serve battered immigrants. These products included individual technical assistance, webinars, articles, and training materials.

In its application for the legal training project, ASISTA stated that it planned to provide trial advocacy or litigation skills training and provide training and technical assistance for victim service organizations on immigration proceedings. ASISTA planned to work with the American Bar Association Commission on Domestic and Sexual Violence to train several OVW grantees on how to help noncitizen survivors seeking U-Visa status in immigration proceedings.⁶ The goals were to: (1) conduct webinar training series for lawyers and advocates, (2) produce and run 1-day in-person training event, and (3) provide technical assistance for grantees as they complete homework and represent survivors in immigration proceedings.

ASISTA informed us that it worked with the OVW program manager on both projects. We compared the cooperative agreement required deliverables to the various documents provided to us by ASISTA to confirm these achievements. For example, ASISTA provided documentation that supported the training and technical assistance it provided, webinars it presented, training it developed and executed, and written products it prepared. Based on our review, it appeared that ASISTA was on track to meet the goals and objectives for both cooperative agreements.

Reporting

The special conditions of the cooperative agreements required that ASISTA comply with administrative and financial requirements outlined in the Financial Guides and the requirements of OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations. The Financial Guides require that recipients submit both financial and program progress reports to inform the awarding agency on the status of each award.

Financial Reporting

The OVW Financial Guide states that Federal Financial Reports (FFR) should detail the cumulative expenditures incurred for each quarterly reporting period. For each cooperative agreement, we tested five FFRs for periods ending between March 31, 2014, and March 31, 2015. We found that all 10 of these reports accurately reflected the cooperative agreement-funded expenditures recorded in

⁶ The U nonimmigrant status (U-Visa) is for victims of certain crimes who have suffered mental or physical abuse and are helpful to law enforcement or government officials in the investigation or prosecution of criminal activity.

ASISTA's accounting records. However, as previously noted, ASISTA did not report program income earned.

Progress Reports

According to the OVW Financial Guide, semi-annual progress reports are due on January 30 and July 30 for the life of the cooperative agreement. Progress reports should describe the activities, obstacles, and achievements of the project supported by each award. OVW requires the cooperative agreement recipient to include in the progress reports statistical data with narratives. These reports generally include such items as the total number of full-time equivalent staff; type and number of training events provided; number of people trained; number of technical assistance activities; and the use of cooperative agreement funds for product development, substantial reviews, or distribution of products. According to the OVW Financial Guide, funding recipients are required to collect data appropriate for facilitating reporting requirements established by Public Law 103-62 for the *Government Performance and Results Act (GPRA)*.⁷ Also, 28 CFR 70 §70.53 of the Uniform Administrative Requirements for Grants and Agreements states that supporting documents, statistical records, and all other records pertinent to an award must be retained.

According to ASISTA officials, it was a collaborative effort to prepare the progress reports because various staff members maintained the statistical data and other information collected for the report. To test the accuracy of performance data reported, we selected for review the two most recent progress reports from each cooperative agreement and attempted to reconcile the progress report narratives and statistical data to supporting documentation and accompanying explanations from ASISTA officials. These reports were for the periods that ended June 30, 2014, and December 31, 2014.

When we reviewed data in the statistical sections in the reports we identified numerous errors and found that ASISTA reported incomplete and inaccurate performance statistics. For example, for the TA Project report ending June 30, 2014, ASISTA reported that it trained 1,488 people during this period. However, we could not reconcile this figure to the training records provided and ASISTA could not always provide the names of the attendees for each of the events. In another example, ASISTA reported a combined 920,224 in website hits for both the TA and Legal Training Projects for the period ending June 30, 2014. However, documentation from ASISTA supported only 107,390 website hits.

We reviewed ASISTA's 2009, 2011, and 2015 Financial Procedures Manuals and the manuals did not include any internal control instructions for completing progress reports. Further, we did not receive any other internal control procedures from ASISTA to ensure accurate progress reporting to OVW.

⁷ The *Government Performance and Results Act (GPRA)* requires grantees to collect and maintain data that measure the effectiveness of their grant-funded activities.

In general, the inaccuracies in the progress report statistics were the result of human error, the absence of a reliable tracking method, and the absence of internal control processes and procedures in the 2009, 2011, and 2015 Financial Procedures Manuals to ensure that information submitted to OVW is correct. We believe that without complete and accurate information, OVW cannot adequately evaluate ASISTA's performance and achievements in executing the cooperative agreements. Therefore, we recommend that OVW require ASISTA to establish procedures to collect and retain reliable performance data and implement a process to review the progress reports for accuracy before submission.

Monitoring of Consultants/Contractors

According to the OVW Financial Guide, direct recipients should ensure that monitoring of organizations under contract to them is performed in a manner that ensures compliance with the recipient's overall financial management requirements. Further, many OVW programs require applicant/grantee organizations to collaborate with Memorandum of Understanding (MOU) partners on their projects. In cases where the agreement reflects a true MOU relationship and not a contract for the procurement of goods or services, sole source justification and approval is not required. Finally, OJP criteria states that it is a conflict of interest for a board member of a nonprofit organization to receive consulting fees or contracts from federal grants to organizations that he/she oversees as a member of the board, unless approved in advance by the awarding agency. We reviewed ASISTA's internal financial procedures manual and determined that ASISTA did not have any procedures in place for hiring or monitoring consultants.

We reviewed a sample of the MOUs and transactions with consultants for each cooperative agreement to determine if ASISTA was in compliance with OVW guidelines. We found that ASISTA entered into an MOU with a consultant who was the chair of ASISTA's Board of Directors. Additionally, the co-director of ASISTA was on the Board of Directors at the consultant's nonprofit organization. This consultant received \$7,772 in cooperative agreement funds from ASISTA to perform technical assistance tasks from 2010 through 2011.

The ASISTA co-director stated that she was unaware of the guidance regarding potential conflicts of interest and ASISTA had not informed the OVW grant manager of the MOU with the ASISTA board member. As a result of the conflict of interest, we question \$7,772 in consultant payments related to this MOU and recommend that OVW take necessary action to remedy these funds. In addition, we recommend that ASISTA establish a formal procedure for hiring consultants to ensure compliance with OVW policies.

Compliance with Other Cooperative Agreement Requirements

In addition to the general cooperative agreement requirements, we tested for compliance with terms and conditions specified in the cooperative agreement award documents. We found that ASISTA complied with the special conditions we tested, except for the findings identified previously in this report.

Conclusion

As previously noted, we found deficiencies within ASISTA's grant management practices and identified dollar-related findings totaling \$165,976. Specifically, we found that ASISTA did not report \$105,440 in program income on its Federal Financial Reports and misallocated \$52,764 in salary expenditures to the Legal Training Project. Further, we found 84 instances of inaccurate or incomplete entries in its general ledger. Moreover, ASISTA did not allocate general expenditures appropriately and charged a majority of its general expenses only to the two federally funded cooperative agreements rather than to all of its revenue sources. We also determined that ASISTA reported inaccurate statistical data to OVW. Lastly, ASISTA hired a board member as a consultant, which is a conflict of interest and against OVW guidelines, resulting in an additional \$7,772 of unallowable costs.

Recommendations

We recommend that OVW:

1. Ensure that ASISTA officially reports the program income to OVW and uses the \$105,440 in identified program income in accordance with award requirements.
2. Require ASISTA to establish formal internal control procedures to fully account for program income directly generated by grant-supported activity.
3. Remedy \$52,764 in misallocated salary expense to the legal training cooperative agreement and ensure salaries are paid on actual time spent and not on estimates or budgets for the project.
4. Require ASISTA to reiterate to its employees the importance of following established operating procedures.
5. Require ASISTA to establish a process to ensure that it allocates general expenditures as accurately as possible between all sources of income and expenses and remedy the related undetermined questioned costs for general operating costs that were not properly allocated to all revenue sources.
6. Require ASISTA to establish a formal, written procedure to review progress reports and the data provided in those reports for accuracy before submission.
7. Require ASISTA to establish a formal, written procedure for hiring and monitoring its consultants to ensure compliance with the OVW Financial Guide.

8. Remedy the \$7,772 in consultant expenses paid to an ASISTA board member.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of our audit was to review performance in the following areas: (1) accounting and internal control environment; (2) cooperative agreement drawdowns; (3) budget management and control; (4) program income; (5) cooperative agreement expenditures, including personnel costs; (6) program performance and accomplishments; (7) federal financial and progress reports; (8) monitoring of consultants; and (9) compliance with other cooperative agreement requirements. We determined that property management, and local matching costs were not applicable to these cooperative agreements.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This was an audit of the technical assistance cooperative agreement (plus two supplements) number 2009-TA-AX-K009 (the TA Project) and cooperative agreement number 2012-TA-AX-K029 (the Legal Training Project), awarded to ASISTA. Our audit concentrated on, but was not limited to, the inception of the agreements through March 31, 2015. ASISTA was awarded the TA Project cooperative agreement on August 14, 2009, and the Legal Training Project cooperative agreement on September 11, 2012. In conducting our audit, we reviewed FFRs and progress reports and performed testing of expenditures, including reviewing supporting accounting records for each cooperative agreement. We judgmentally selected a sample of expenditures, along with a review of internal controls and procedures for the cooperative agreements that we audited. Judgmental sampling design was applied to obtain broad exposure to numerous facets of the cooperative agreements reviewed, such as dollar amounts, expenditure category, and risk. This non-statistical sample design does not allow for projection of the test results to all cooperative agreement expenditures or internal controls and procedures. As of March 31, 2015, ASISTA drew down a total of \$1,609,637, which consisted of \$1,417,152 in drawdowns for the TA Project and \$192,485 in drawdowns for the Legal Training Project. We tested 113 non-personnel transactions totaling \$86,122. Of these transactions, 50 percent were high-dollar transactions, and we judgmentally selected the remaining 50 percent of the transactions from ASISTA's cooperative agreement general ledgers. Additionally, we tested \$744,396 in payroll and fringe benefit expenses to determine if costs charged to the two agreements were in accordance with the requirements, were computed correctly, properly authorized, and accurately recorded in the accounting records. In summary, we tested \$830,518 in cooperative agreement expenditures.

We performed limited testing of source documents to assess the accuracy of FFRs, reimbursement requests, expenditures, and progress reports; evaluated performance to grant objectives; and reviewed the cooperative agreement-related internal controls over the financial management system. However, we did not test the reliability of the financial management system as a whole.

APPENDIX 2

**COOPERATIVE AGREEMENT 2009-TA-AX-K009
(TECHNICAL ASSISTANCE PROJECT)
APPROVED BUDGET AND DESCRIPTION OF EXPENDITURES**

Cost Category	Approved Final Budget	Description of Planned Expenditures
Personnel	\$1,160,476	Salary support for six ASISTA employees that includes the two Co-Directors, a staff attorney, ASISTA manager, and an administrative assistant. ⁸
Fringe Benefits	147,140	Fringe benefits that include FICA, Medicare, state unemployment, and a monthly benefit allowance.
Travel	35,743	Travel reimbursement for ASISTA staff.
Supplies	45,054	Program supplies for meetings, courses, and webinars.
Contractual	152,361	Onsite technical assistance, consultant fees, trainer/expert fees, webinars, video conferences, meeting costs, writers, editors, reviewer costs, product development, website costs, and contractual travel costs.
Other	109,226	Phone, Internet, website hosting, rent, and insurance.
Federal Funds	\$1,650,000	
Local Match	0	
Total Project Costs	\$1,650,000	

Source: OVW and ASISTA Documentation

⁸ For some of the positions identified, OVW funding was used to support a percentage of the total salary. Some of these positions were funded by both audited cooperative agreements. The total combined percentage of salary budgeted did not exceed 100 percent.

**COOPERATIVE AGREEMENT 2012-TA-AX-K029
(LEGAL TRAINING PROJECT)
APPROVED BUDGET AND DESCRIPTION OF EXPENDITURES**

Cost Category	Approved Final Budget	Description Of Planned Expenditures
Personnel	\$115,367	Salary support for four ASISTA employees that includes a Co-Director, a staff attorney, ASISTA manager, and an administrative assistant. ⁹
Fringe Benefits	17,438	Fringe benefits that include FICA, Medicare, state unemployment, and a monthly benefit allowance.
Travel	13,987	Travel reimbursement for ASISTA staff.
Supplies	3,360	Office supplies, printing and training materials, and postage.
Contract/Consultant	42,129	Consultants for the institute day, webinar and curriculum development, trial training specialists, and other professional services.
Other	7,719	Telephone, internet, website hosting, rent, insurance, and webinar hosting.
Federal Funds	\$200,000	
Local Match	0	
Total Project Costs	\$200,000	

Source: OVW and ASISTA Documentation

⁹ For some of the positions identified, OVW funding was used to support a percentage of the total salary. Some of these positions were funded by both audited cooperative agreements. The total combined percentage of salary budgeted did not exceed 100 percent.

SCHEDULE OF DOLLAR-RELATED FINDINGS

DESCRIPTION	AMOUNT	PAGE
Enhanced Revenue: ¹⁰		
Program Income	\$105,440	7
Total Enhanced Revenue	\$105,440	
Questioned Costs/Unallowable: ¹¹		
Misallocated salary expense	\$52,764	9
Consultant Expenses paid to ASISTA board member	7,772	13
Total Unallowable Costs	\$60,536	
Total Dollar-Related Findings	\$165,976	

¹⁰ **Enhanced Revenue** is additional revenues in excess of federal government funds that can be credited back to the government or applied to DOJ programs.

¹¹ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements, are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

ASISTA RESPONSE TO THE DRAFT AUDIT REPORT



ASISTA IMMIGRATION ASSISTANCE

POBOX 12,Suffield,CT,06078-1454|860.758.0733|questions@asistahelp.org|www.asistahelp.org

"ASISTA seeks to enhance the security, independence, and full participation in society of immigrant and refugee survivors of gender-based violence through its technical expertise and innovative advocacy in survivor-focused immigration law and policy".

January 15, 2016

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Regional Audit
Manager
Chicago Regional Audit
Office Office of the
Inspector General
U.S. Department of Justice
500 West Madison Street, Suite
1121 Chicago, Illinois 60661

Dear Ms. Taraszka:

We understand the objectives of the Department of Justice (DOJ) Office of the Inspector General's (OIG) audit of ASISTA Immigration Assistance's (Advanced Special Immigrant Survivors Technical Assistance) cooperative agreements 2009-TA-AX-K009 and 2012-TA-AX-K029 were to review ASISTA's accounting and internal controls, drawdowns, budget management and control, program income, expenditures, program performance and accomplishments, reporting, monitoring of consultants, and compliance with other cooperative agreement requirements.

We have reviewed the recommendations and provide the following responses

Recommendations

1) Ensure that ASISTA officially reports the program income to OVW and uses the \$105,440 in identified program income in accordance with award requirements.

We agree that ASISTA should report program income "*directly generated* by a grant-supported activity, or earned *only as a result* of the grant agreement during the grant period" (emphasis supplied). We disagree, however, that all our private membership income generated during our grant period and all our private webinar fees, which is what comprises the \$105,440 cited by OIG, were directly generated by grant-supported activity or earned only as a result of the grant agreement.

ASISTA is a national leader in the area of immigration relief for survivors of crimes, providing training, technical assistance and government liaison for the entire field that serves this population, including OVW grantees. The technical assistance and training we provide to private practitioners and NGOs is supported by private membership fees and funds from other organizations that pay us to provide such services to their members. We would and do provide these services regardless of whether we receive funding from OVW.

While we agree that the specific services funded by OVW and provided to private members should be reported to OVW, we disagree with OIG's conclusion that ALL private membership and webinar fee income must be reported to OVW regardless of whether any private members received services funded by OVW. Such a conclusion assumes that all services provided to private members were funded by OVW, which is inaccurate. Presumably, both OVW and DOJ encourage grantees to diversify income sources. Requiring grantees to attribute all income to OVW discourages such diversification, ultimately harming the grantees and survivors of domestic and sexual violence OVW seeks to help.

Specifically, we believe OIG's accounting is excessive in two ways:

(a) From 2009 through August 2013 no private members attended OVW-sponsored webinars. We therefore believe none of the private income for this period was required to be reported, since private members did not receive services "*directly generated* by a grant-supported activity, or earned *only as a result* of the grant agreement" during this period.

(b) Starting in September, 2013, we allowed all our members, including OVW and private members, to attend many of our webinars together (three were OVW-only). OVW agreed with our decision to do this, since it meant that grantees were able to attend more free webinars than required by our grant conditions. While we agree that we should assess with OVW the amount of private revenue attributable to those collaborative webinars, we disagree that this amount should be the entire membership fee. Private members have always received individualized technical assistance and case liaison with the government; these services are in no way "directly generated by a grant-supported activity, or earned *only as a result* of the grant agreement."

We believe that *only the portion of private membership fees attributable to attending the webinars for both OVW and private members should be considered in determining revenue that must be reported to OVW*. We will work with OVW to determine this amount and discuss ways ASISTA can rectify any failure to attribute required revenue.

(2) Require ASISTA to establish formal internal control procedures to fully account for program income directly generated by grant-supported activity.

We agree that ASISTA should have written accounting and internal control systems that reflect DOJ and OVW guidelines. Some of the problems identified by OIG were already identified by our own internal audit and we had started implementing them at the time OIG reviewed our past performance. We now have in place a Cost Allocation Plan (CAP) and formal Financial Guidelines that reflect OVW and DOJ guidelines, as well as best practices suggested by our auditor and accountant. We will share those documents with OVW and incorporate any further suggestions they make for them.

(3) Remedy \$52,764 in misallocated salary expense to the legal training cooperative agreement and ensure salaries are paid on actual time spent and not on estimates or budgets for the project.

While we agree that we should have accounted for salary time by actual time spent rather than general percentages each month and incorporated that into our financial guidelines, we disagree that we failed to apply \$52,764 to the 2012 grant. OIG did not request nor review our expenditures on the 2012 grant during the no-cost extension granted by OVW for us to complete the project because OIG closed their review as of March 2015. OVW granted our request for a no-cost extension until June 30, 2015, however, during which period we believe we fulfilled our obligations to OVW under this grant. In our exit interview with OIG, they stated that they could not review and include data from that period. We will provide that data to OVW and believe that, upon review, OVW will agree that we fulfilled our obligations.

(4) Require ASISTA to reiterate to its employees the importance of following established operating procedures.

We agree. Our updated financial and personnel guidelines include operating procedures for employee time and expense reporting. All staff are required to review and adhere to these procedures, and the Co-Directors review with staff compliance with established operating procedures during regular supervisory meetings. As provided in our written procedures, we also now require all staff to annually affirm in writing that they have reviewed the operating procedures and financial guidelines.

(5) Require ASISTA to establish a process to ensure that it allocates general expenditures as accurately as possible between all sources of income and expenses and remedy the related undetermined questioned costs for general operating costs that were not properly allocated to all revenue sources.

We agree. We have developed and are currently using a Cost Allocation Plan that we will share with OVW. We will work with OVW to identify and remedy any costs previously allocated incorrectly.

(6) Require ASISTA to establish a formal, written procedure to review progress reports and the data provided in those reports for accuracy before submission.

We agree. We have rectified, specified and put in writing the processes for collecting and reporting data to OVW. Co-Directors now ensure that data collection and reporting reflect appropriate practices before filing progress reports. We will share that formal process with OVW.

(7) Require ASISTA to establish a formal, written procedure for hiring and monitoring its consultants to ensure compliance with the OVW Financial Guide.

We agree. We have included in our financial guidelines a written process for ensuring competitive hiring and effective monitoring of consultants, comporting with DOJ and OVW guidelines and with suggestions sent to us by our OVW program manager. We will share those procedures with OVW.

(8) Remedy the \$7,772 in consultant expenses paid to an ASISTA board member.

While we agree we should have run the potential conflict of interest by OVW before hiring a board member as a consultant, we did share with OIG proof that we identified the potential conflict and requested and received board approval for hiring the board member, which was justified because of her unique expertise. We have updated the hiring procedures contained in our financial guidelines, as noted above, to include specific conflict rules reflecting best practices. These include receiving approval by OVW before securing consultants or staff who will perform grant tasks whose hiring might present a conflict of interest.

Sincerely,



Gail Pendleton
Co-Director



Sonia Parras Konrad
Co-Director

ASISTA is a 501(c)(3) nonprofit charitable organization. Our federal employee number is 26-3233209

OFFICE ON VIOLENCE AGAINST WOMEN RESPONSE TO THE
DRAFT AUDIT REPORT



U.S. Department of Justice

Office on Violence Against Women

Washington, DC 20530

January 28, 2016

MEMORANDUM

TO: Carol S. Taraszka
Regional Audit Manager
Chicago Regional Audit Office

FROM: Bea Hanson 
Principal Deputy Director
Office on Violence Against Women

Rodney Samuels 
Audit Liaison/Staff Accountant
Office on Violence Against Women

SUBJECT: Draft Audit Report - Audit of the Office on Violence Against
Women (OVW) Cooperative Agreements Awarded to ASISTA:
Des Moines, Iowa

This memorandum is in response to your correspondence dated December 17, 2015 transmitting the above draft audit report for ASISTA. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains 8 recommendations and \$165,976 in questioned costs. OVW is committed to working with ASISTA to address and bring these recommendations to a close as quickly as possible. The following is our analysis of the audit recommendations.

1. Ensure that ASISTA officially reports the program income to OVW and uses the \$105,440 in identified program income in accordance with award requirements.

OVW does agree with the recommendation. We will coordinate with ASISTA to ensure that they officially report the program income to OVW and uses the \$105,440 in identified program income in accordance with award requirements.

2. Require ASISTA to establish formal internal control procedures to fully account for program income directly generated by grant-supported activity.

OVW does agree with the recommendation. We will coordinate with ASISTA and require them to establish formal internal control procedures to fully account for program income directly generated by grant-supported activity.

3. Remedy \$52,764 in misallocated salary expense to the legal training cooperative agreement and ensure salaries are paid on actual time spent and not on estimates or budgets for the project.

OVW does agree with the recommendation. We will coordinate with ASISTA to remedy \$52,764 in misallocated salary expense to the legal training cooperative agreement and ensure salaries are paid on actual time spent and not on estimates or budgets for the project.

4. Require ASISTA to reiterate to its employees the importance of following established operating procedures.

OVW does agree with the recommendation. We will coordinate with ASISTA and require them to reiterate to its employees the importance of following established operating procedures.

5. Require ASISTA to establish a process to ensure that it allocates general expenditures as accurately as possible between all sources of income and expenses and remedy the related undetermined questioned costs for general operating cost that were not properly allocated to all revenue sources.

OVW does agree with the recommendation. We will coordinate with ASISTA and require them to establish a process to ensure that it allocates general expenditures as accurately as possible between all sources of income and expenses and remedy the related undetermined questioned costs for general operating cost that were not properly allocated to all revenue sources.

6. Require ASISTA to establish a formal, written procedure to review progress reports and the data provided in those reports for accuracy before submission.

OVW does agree with the recommendation. We will coordinate with ASISTA and require them to establish a formal, written procedure to review progress reports and the data provided in those reports for accuracy before submission.

7. Require ASISTA to establish a formal, written procedure for hiring and monitoring its consultants to ensure compliance with the OVW Financial Guide.

OVW does agree with the recommendation. We will coordinate with ASISTA and require them to establish a formal, written procedure for hiring and monitoring its consultants to ensure compliance with the OVW Financial Guide.

8. Remedy the \$7,772 in consultant expenses paid to an ASISTA board member.

OVW does agree with the recommendation. We will coordinate with ASISTA to remedy the \$7,772 in consultant expenses paid to an ASISTA board member

We appreciate the opportunity to review and comment on the draft report. If you have any questions or require additional information, please contact Rodney Samuels of my staff at (202) 514-9820.

cc Donna Simmons
Associate Director, Grants Financial Management Division
Office on Violence Against Women (OVW)

Louise M. Duhamel, Ph.D.
Acting Assistant Director
Audit Liaison Group
Justice Management Division

Regina Madison
Program Manager
Office on Violence Against Women (OVW)

**OFFICE OF THE INSPECTOR GENERAL
ANALYSIS AND SUMMARY OF ACTIONS
NECESSARY TO CLOSE THE REPORT**

The Office of the Inspector General (OIG) provided a draft of this audit report to the Office on Violence Against Women (OVW) and ASISTA. ASISTA's response letter is incorporated in Appendix 5 of this final report, and OVW's response letter is incorporated in Appendix 6 of this final report. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendation:

- 1. Ensure that ASISTA officially reports the program income to OVW and uses the \$105,440 in identified program income in accordance with award requirements.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will coordinate with ASISTA to ensure that ASISTA officially reports program income to OVW and uses the \$105,440 in identified program income in accordance with award requirements.

In its response, ASISTA concurred that it should report program income directly generated by a grant-supported activity, or earned only as a result of the cooperative agreement. However, ASISTA disagreed that all of the \$105,440 in private membership income and private webinar fees were directly generated by grant-supported activity or earned as a result of the cooperative agreement.

Because ASISTA did not report program income to OVW, nor did it maintain adequate supporting documentation to account for program income, we were unable to determine or calculate reportable program income. Therefore, we identified as enhanced revenue the total amount that could potentially be program income. ASISTA should work with OVW and report all program income generated by grant-supported activity.

This recommendation can be closed when we receive evidence that ASISTA: (a) is reporting program income properly to OVW, and (b) has used the program income in accordance with award requirements.

- 2. Require ASISTA to establish formal internal control procedures to fully account for program income directly generated by grant-supported activity.**

Resolved. OVW concurred with our recommendation. OVW stated that it will coordinate with ASISTA and require ASISTA to establish formal procedures to fully account for program income.

In its response, ASISTA concurred with the recommendation and stated that it now has formal financial guidelines that reflect DOJ and OVW guidelines and it will share this information with OVW for feedback.

This recommendation can be closed when we receive evidence that ASISTA has taken appropriate actions to implement adequate accounting and internal control systems to fully account for program income directly generated by grant-supported activity.

3. Remedy \$52,764 in misallocated salary expense to the legal training cooperative agreement and ensure salaries are paid on actual time spent and not on estimates or budgets for the project.

Resolved. OVW concurred with our recommendation. OVW stated that it will coordinate with ASISTA to remedy the \$52,764 in misallocated salary expense to the legal training cooperative agreement and ensure salaries are paid on actual time spent and not on estimates or budgets for the project.

In its response, ASISTA concurred with our recommendation that it should have accounted for salary by actual time spent rather than general percentages each month and has incorporated this practice into its financial guidelines. However, ASISTA disagreed with our finding that \$52,764 was misallocated to the 2012 cooperative agreement, stating that during a no-cost extension granted by OVW until June 30, 2015, ASISTA fulfilled its obligations to OVW.

We believe that the no-cost extension period has no bearing on our calculation of questioned costs for salary expenses misallocated to the legal training cooperative agreement as of March 2015. Our finding results from ASISTA's practice throughout the audited period of not charging actual time spent on program activities by grant. Obtaining a no-cost extension allowing ASISTA additional time to perform grant-related activities without additional funding would not correct the totality of our finding of misallocated salary expenses. Instead, ASISTA would need to make accounting entries to the legal training cooperative agreement general ledger to correct the \$52,764 misallocated prior to the end of our audit period (March 31, 2015). ASISTA's response correctly indicates that the OIG did not review ASISTA's activities during the no-cost extension period from April 1, 2015 through June 30, 2015. The scope of our audit was the inception of the grant through March 31, 2015. The no-cost extension was approved on June 2, 2015.

This recommendation can be closed when we receive: (1) evidence that the \$52,764 has been appropriately remedied, and (2) documentation that supports salaries are being paid on actual time spent on projects and not on estimates or budgets.

4. Require ASISTA to reiterate to its employees the importance of following established operating procedures.

Resolved. OVW concurred with our recommendation. OVW stated that it will coordinate with ASISTA and require ASISTA to reiterate to its employees the importance of following established operating procedures.

In its response, ASISTA concurred with our recommendation and stated that it updated its financial and personnel guidelines, including operating procedures for employee time and expense reporting. ASISTA stated that it requires all staff to affirm in writing that they have reviewed the operating procedures and financial guidelines.

This recommendation can be closed when we receive evidence that ASISTA has reiterated to its employees the importance of following established operating procedures.

5. Require ASISTA to establish a process to ensure that it allocates general expenditures as accurately as possible between all sources of income and expenses and remedy the related undetermined questioned costs for general operating costs that were not properly allocated to all revenue sources.

Resolved. OVW concurred with our recommendation. OVW stated that it will coordinate with ASISTA and require ASISTA to establish a process to ensure that it allocates general expenditures as accurately as possible between all sources of income and expenses and remedy the related undetermined questioned costs for general operating costs that were not properly allocated to all revenue sources.

In its response, ASISTA concurred that it should properly allocate general expenditures. ASISTA also stated that it has developed a Cost Allocation Plan and will work with OVW to identify and remedy any costs previously allocated incorrectly.

This recommendation can be closed when we receive evidence of ASISTA's Cost Allocation Plan and documentation that ASISTA worked with OVW to remedy the undetermined questioned costs for general operating expenses that were previously allocated incorrectly.

6. Require ASISTA to establish a formal, written procedure to review progress reports and the data provided in those reports for accuracy before submission.

Resolved. OVW concurred with the recommendation. OVW stated that it will coordinate with ASISTA and require ASISTA to establish a formal, written procedure to review progress reports, and the data provided in those reports, for accuracy before submission.

In its response, ASISTA concurred with our recommendation and stated that it has rectified, specified, and put in writing the processes for collecting and reporting data to OVW.

This recommendation can be closed when we receive evidence that ASISTA has established a formal, written procedure to review progress reports, and the data provided in those reports, for accuracy before submission to OVW.

7. Require ASISTA to establish a formal, written procedure for hiring and monitoring its consultants to ensure compliance with the OVW Financial Guide.

Resolved. OVW concurred with our recommendation. OVW stated that it will coordinate with ASISTA and require ASISTA to establish a formal, written procedure for hiring and monitoring its consultants to ensure compliance with the OVW Financial Guide.

In its response, ASISTA concurred with our recommendation and stated that it had developed a written procedure for competitive hiring and effective monitoring of consultants.

This recommendation can be closed when we receive evidence that ASISTA has established a formal, written procedure for hiring and monitoring of consultants to ensure compliance with the OVW Financial Guide.

8. Remedy the \$7,772 in consultant expenses paid to an ASISTA board member.

Resolved. OVW concurred with our recommendation. OVW stated that it will coordinate with ASISTA to remedy \$7,772 in consultant expenses paid to an ASISTA board member.

In its response, ASISTA concurred that it should have discussed with OVW the potential conflict of interest before hiring a board member as a consultant. ASISTA stated that it received board approval for hiring the board member as a consultant and that the board member had unique expertise. However, the unique expertise of the board member is not an adequate justification for circumventing OVW guidelines regarding conflicts of interest.

This recommendation can be closed when we receive evidence that \$7,772 in consultant expenses paid to an ASISTA board member has been remedied.

The Department of Justice Office of the Inspector General (DOJ OIG) is a statutorily created independent entity whose mission is to detect and deter waste, fraud, abuse, and misconduct in the Department of Justice, and to promote economy and efficiency in the Department's operations. Information may be reported to the DOJ OIG's hotline at www.justice.gov/oig/hotline or (800) 869-4499.



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