



**OFFICE ON VIOLENCE AGAINST WOMEN
GRANTS AWARDED TO
AMA DOO ALCHINI BIGHAN, INCORPORATED
CHINLE, ARIZONA**

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

Audit Report GR-60-10-008
September 2010

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AMA DOO ALCHINI BIGHAN, INCORPORATED
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EXECUTIVE SUMMARY

The Office of the Inspector General, Audit Division, has completed an audit of the Tribal Domestic Violence and Sexual Assault Coalitions Grant Program (Tribal Coalitions Program), Grant Number 2005-IW-AX-0007, and the Rural Domestic Violence and Child Victimization Enforcement Grant Program (Rural DV Program), Grant Number 2005-WR-AX-0068, in the total amount of \$1,930,450, awarded by the Office On Violence Against Women (OVW) to Ama Doo Alchini Bighan, Incorporated (ADABI), of Chinle, Arizona.

The OVW's websites for the Tribal Coalitions Program and the Rural DV Program state that:

According to the 2007 National Crime Victimization Survey of the United States, approximately 623,000 violent crimes—554,000 against female victims—were committed by an intimate partner and approximately 248,300 rape/sexual assault victimizations occurred in 2007. The 2007 Bureau of Justice Statistics Report on "Homicide Trends in the U.S." revealed that about one third of female murder victims were killed by an intimate [partner]. A study released by the Centers for Disease Control and Prevention found that about 10% of students report being physically hurt by a boyfriend or girlfriend in the last 12 months. Lastly, according to the Bureau of Justice Statistics Supplemental Victimization Survey on Stalking, an estimated 3.4 million persons age 18 or older were victims of stalking during a 12-month period. Service providers and victims of domestic violence, dating violence, sexual assault, and stalking living in rural jurisdictions face unique barriers to giving and receiving assistance. These include geographic isolation, economic structure, strong social and cultural pressures, and lack of available resources.

The purpose of the Tribal Coalitions Program is to build the capacity of survivors, advocates, Indian women's organizations, and victim service providers to form nonprofit, nongovernmental tribal domestic violence and sexual assault coalitions to end violence against American Indian and Alaska Native women. OVW's Tribal Coalitions Program grants are used to increase

awareness of domestic violence and sexual assault against American Indian and Alaska Native women; enhance the response to violence against women at the tribal, federal, and state levels; and identify and provide technical assistance to coalition membership and tribal communities to enhance access to essential services.

The purpose of the Rural DV Program is to enhance the safety of children, youth, and adults who are victims of domestic violence, dating violence, sexual assault, and stalking by supporting projects uniquely designed to address and prevent these crimes in rural jurisdictions. The Rural DV Program encourages collaboration between victim advocates, law enforcement officers, pretrial service personnel, prosecutors, judges and other court personnel, probation and parole officers, and faith- and community-based leaders to overcome the problems of domestic violence, dating violence, sexual assault, and stalking and to ensure that victim safety is paramount in providing services to victims and their children. The Rural DV Program is required to set aside no less than 25 to 40 percent of funds, depending on annual appropriations, for activities that meaningfully address sexual assault.

Audit Purpose

The purpose of this audit was to determine whether reimbursements claimed for costs under the grants were supported, allowable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant and to determine program performance and accomplishments. The objective of our audit was to review performance in the following areas: (1) internal control environment, (2) drawdowns, (3) grant expenditures, including personnel and indirect costs, (4) budget management and control, (5) matching, (6) property management, (7) program income, (8) financial status and progress reports, (9) grant requirements, (10) program performance and accomplishments, and (11) monitoring of subgrantees and contractors. We determined that program income, property management, indirect costs, and management of contractors were not applicable to these grants.¹

As shown in Exhibit 1, ADABI was awarded two grants, plus one supplement, totaling \$1,930,450.

¹ Our audit objective, scope, and methodology are further discussed in Appendix III.

**EXHIBIT 1: AWARDS TO AMA DOO ALCHINI BIGHAN,
INCORPORATED**

| GRANT AWARD | AWARD AMOUNT | PROGRAM |
|----------------------------------|---------------------|-------------------|
| 2005-IW-AX-0007 | \$ 233,965 | Tribal Coalitions |
| 2005-WR-AX-0068 | 866,733 | Rural DV |
| 2005-WR-AX-0068(S1) ² | 829,752 | Rural DV |
| Total | \$ 1,930,450 | |

Source: OJP Grants Management System (GMS)

Audit Results

We examined ADABI's accounting records, Financial Status Reports (FSRs), Categorical Assistance Progress Reports (Progress Reports), operating policies and procedures, and budget management. We found that ADABI met the match requirement for the Tribal Coalitions Program grant, 2005-IW-AX-0007. Additionally, we found that the performance under both grants was acceptable. However, we found that, while there were adequate operating policies and procedures, ADABI does not have approved written financial policies and procedures in place. Also, we found that the FY 2008 Single Audit was delinquent, drawdowns and support documents were inaccurate and notations concerning adjustments to the general ledger were unsupported, some expenses were not accurately recorded in the proper expense categories, and support documentation was inadequate, resulting in \$22,398 in questioned costs. Additionally, payroll records did not always accurately match the hours worked, percentages of salaries charged to the grant exceeded the budget, matching was not recorded in the accounting system, FSRs did not reconcile to the accounting records and were generally late, and Progress Reports were incomplete and generally late. Specifically, we found the following:

- ADABI does not have approved written financial policies and procedures, although they do consult an unofficial draft.
- The FY 2008 Single Audit was delinquent.
- Some drawdown requests were inaccurate and notations concerning adjustments to the general ledger were unsupported, resulting in the inability to reconcile drawdowns with accounting records.

² Supplement One (S1) to grant 2005-WR-AX-0068 was awarded to ADABI September 10, 2007.

- For Grant Number 2005-IW-AX-0007, expenses were incorrectly combined into a single category as subcontractor expenses rather than the appropriate account categories.
- Unsupported questioned costs totaling \$15,186 for Grant Number 2005-IW-AX-0007.
- Unsupported questioned costs totaling \$7,212 for Grant Number 2005-WR-AX-0068.
- Hours paid to the Executive Director for Grant Number 2005-IW-AX-0007 did not always match the hours worked, resulting in inaccurate payroll records.
- Percentages of salaries charged to both grants exceeded the approved grant budget allocations.
- Matching costs for Grant Number 2005-IW-AX-0007 were not recorded in the accounting system.
- FSRs for both grants generally did not reconcile to the accounting records.
- FSRs for both grants were submitted from 1 to 22 days late.
- Progress Reports for Grant Number 2005-WR-AX-0068 were submitted from 12 to 42 days late.
- Progress Reports for six of eight reporting periods were missing data required by the special conditions for Grant Number 2005-WR-AX-0068.

These items are discussed in detail in the Findings and Recommendations section of the report. Our audit objective, scope, and methodology are discussed in Appendix I.

TABLE OF CONTENTS

| | |
|--|-----------|
| INTRODUCTION | 1 |
| Audit Purpose..... | 2 |
| Background..... | 3 |
| OIG Audit Approach | 5 |
| FINDINGS AND RECOMMENDATIONS | 6 |
| Internal Control Environment | 6 |
| Drawdowns | 7 |
| Grant Expenditures | 8 |
| Reports | 10 |
| Conclusion | 16 |
| Recommendations | 17 |
| APPENDIX I - SCHEDULE OF DOLLAR-RELATED FINDINGS | 19 |
| APPENDIX II - UNSUPPORTED QUESTIONED COSTS | 20 |
| APPENDIX III - OBJECTIVES, SCOPE, AND METHODOLOGY | 21 |
| APPENDIX IV - ADABI RESPONSE TO DRAFT AUDIT REPORT | 23 |
| APPENDIX V - OVW RESPONSE TO DRAFT AUDIT REPORT | 27 |
| APPENDIX VI - ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT | 31 |

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INTRODUCTION

The Office of the Inspector General, Audit Division, has completed an audit of the Tribal Domestic Violence and Sexual Assault Coalitions Grant Program (Tribal Coalitions Program), Grant Number 2005-IW-AX-0007, and the Rural Domestic Violence and Child Victimization Enforcement Grant Program (Rural DV Program), Grant Number 2005-WR-AX-0068, in the total amount of \$1,930,450, awarded by the Office On Violence Against Women (OVW) to Ama Doo Alchini Bighan, Incorporated (ADABI), of Chinle, Arizona.

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The purpose of the Tribal Coalitions Program is to build the capacity of survivors, advocates, Indian women's organizations, and victim service providers to form nonprofit, nongovernmental tribal domestic violence and sexual assault coalitions to end violence against American Indian and Alaska Native women. OVW's Tribal Coalitions Program grants are used to increase

awareness of domestic violence and sexual assault against American Indian and Alaska Native women; enhance the response to violence against women at the tribal, federal, and state levels; and identify and provide technical assistance to coalition membership and tribal communities to enhance access to essential services.

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The purpose of this audit was to determine whether reimbursements claimed for costs under the grants were supported, allowable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant and to determine program performance and accomplishments. The objective of our audit was to review performance in the following areas: (1) internal control environment, (2) drawdowns, (3) grant expenditures, including personnel and indirect costs, (4) budget management and control, (5) matching, (6) property management, (7) program income, (8) financial status and progress reports, (9) grant requirements, (10) program performance and accomplishments, and (11) monitoring of subgrantees and contractors. We determined that program income, property management, indirect costs, and management of contractors were not applicable to these grants.¹

As shown in Exhibit 1, ADABI was awarded two grants, plus one supplement, totaling \$1,930,450.

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| 2005-WR-AX-0068 | 866,733 | Rural DV |
| 2005-WR-AX- | 829,752 | Rural DV |
| Total | \$ 1,930,450 | |

Source: OJP Grants Management System (GMS)

Background

Office on Violence Against Women

The Office on Violence Against Women (OVW) currently administers 18 grant programs authorized by the *Violence Against Women Act of 1994* and subsequent legislation. These grant programs are designed to develop the nation's capacity to reduce domestic violence, dating violence, sexual assault, and stalking by strengthening services to victims and holding offenders accountable for their actions.

The Tribal Coalitions Program grant was awarded to ADABI for the purpose of establishing a fully functioning Domestic Violence/Sexual Assault coalition, known as the Southwest Indigenous Women's Coalition (SWIWC). The Rural DV Program grant was awarded to ADABI as financial agent, with the Shiprock Home For Women and Children (HFWC) and the Family Harmony Program (FHP) as subrecipients, for the purpose of enhancing the safety of children, youth, and adults who are victims of domestic violence, dating violence, sexual assault, and stalking by supporting projects uniquely designed to address and prevent these crimes in rural jurisdictions. Background on these organizations is discussed below.

Ama Doo Alchini Bighan, Incorporated

Ama Doo Alchini Bighan, Incorporated (ADABI), is a private, nonprofit, community-based domestic violence and sexual assault crisis intervention program. ADABI provides advocacy, prevention, and safe home network programs. It also serves victims of intimate partner violence in the Chinle Agency of the Navajo Nation. In collaboration with communities within the Chinle Agency and surrounding areas, ADABI promotes prevention of domestic violence and sexual assault, while fostering safety and healing.

² Supplement One (S1) to grant 2005-WR-AX-0068 was awarded to ADABI September 10, 2007.

Services provided include: (1) 24-hour crisis intervention, (2) traditional and spiritual guidance, (3) assistance with the police and courts, (4) safe house or shelter, (5) emergency food and clothing, (6) support groups, (7) referral to community services, (8) community education and workshops, and (9) outreach offices.

Southwest Indigenous Women's Coalition

The Southwest Indigenous Women's Coalition (SWIWC) is a newly established nonprofit, nongovernmental state-wide Native American domestic violence and sexual assault coalition located in Phoenix, Arizona. Its primary purpose is to increase the capacity of native women and tribes to better address and respond to domestic violence, sexual assault, stalking, and dating violence in their communities by developing and enhancing their leadership, advocacy, and programmatic skills. Services include: (1) regional trainings, (2) technical assistance, (3) prevention, education, and outreach, (4) state-wide conferences, (5) social change through leadership development, and (6) resource information and referrals.

Crownpoint Family Harmony Project

The Crownpoint Family Harmony Project (FHP) is a nonprofit, domestic violence intervention and prevention program located in Crownpoint, New Mexico. The mission is to provide its communities and families support and services by helping them develop the necessary means to break the cycle of domestic violence. FHP offers: (1) service assessment, (2) support services, (3) clinical consultation, (4) education and training, (5) life and social skills development, (6) crisis intervention, (7) parenting classes, (8) multi-disciplinary health care response team, and (9) a men's program.

Shiprock Home for Women and Children

The Shiprock Home for Women and Children (HFWC) was founded as a nonprofit organization in 1978 as a shelter for victims and survivors of domestic violence and their children. HFWC serves all of the Navajo reservation, which covers 26,000 square miles, and all of the "Four Corners" areas of New Mexico, Arizona, Utah, and Colorado. HFWC is committed to providing shelter, advocacy, mentoring, and education for families affected by domestic violence and sexual assault through a comprehensive family wellness center, community awareness and involvement and to identifying resources to enhance growth and development.

OIG Audit Approach

We tested compliance with what we consider to be the most important conditions of the grant awards. Unless otherwise stated in our report, the criteria we audit against are contained in the *OJP Financial Guide*, award documents, Code of Federal Regulations, and Office of Management and Budget Circulars. We tested ADABI's:

- **grant drawdowns** to determine whether grant drawdowns were adequately supported and if ADABI was managing grant receipts in accordance with federal requirements;
- **grant expenditures** to determine the accuracy and allowability of costs charged to the grants;
- **management of subrecipients** to determine how ADABI administered pass-through funds;
- **Financial Status Reports (FSRs) and Categorical Assistance Progress Reports (Progress Reports)** to determine if the required FSRs and Progress Reports were submitted on time and accurately reflect grant activity; and
- **grant objectives and accomplishments** to determine if ADABI met or was capable of meeting the grants' objectives.

The results of our analysis are discussed in detail in the Findings and Recommendations Section of the report. Our audit objective, scope, and methodology are discussed in Appendix III.

FINDINGS AND RECOMMENDATIONS

Our audit did not disclose any noncompliance with regard to budget management and control. Additionally, we determined the matching requirement was met. However, ADABI does not have approved written financial policies and procedures in place. Additionally, we found that the FY 2008 Single Audit was delinquent, drawdowns and support documents were inaccurate, and notations concerning adjustments to the general ledger were unsupported. Also, we identified a total of \$22,398 in questioned costs due to inadequate support documentation; and, for the Tribal Coalition Program grant, expenses were not accurately recorded in the proper expense categories. Additionally, payroll records for the Executive Director did not accurately match the hours worked with hours paid, percentages of salaries charged to the grant exceeded the budget, matching was not recorded in the accounting system, FSRs typically did not reconcile to the accounting records, Progress Reports appeared incomplete, and reports were generally late.

Internal Control Environment

We reviewed ADABI's Single Audit Reports for Fiscal Years (FY) 2006 and 2007, policies and procedures, and financial management system to assess ADABI's risk of noncompliance with laws, regulations, guidelines, and terms and conditions of the grant. We also interviewed ADABI personnel regarding payroll, purchasing, and accounts payable and observed the financial management system to further assess risk.

Single Audit

According to Office of Management and Budget (OMB) Circular A-133, non-federal entities that expend \$500,000 or more in federal awards in a year shall have a single audit conducted. We reviewed the Single Audit Reports for FY 2006 and FY 2007 and identified those findings that have, or could have, direct impact on DOJ programs. The findings are summarized in Exhibit 2.

EXHIBIT 2. ADABI'S FISCAL YEARS 2006 AND 2007 SINGLE AUDIT FINDINGS

| FINDING | |
|---------------|--|
| 2006-1 | Credit card transactions and other unusual transactions are being recorded in the financial statements as miscellaneous transactions (Repeat in 2007). |
| 2006-2 | The sum of the expenditures listed on the quarterly form SF 269 for the year ended December 31, 2006 was \$42,000 less than the expenditures listed on the financial statement for the DOJ Rural grant. |
| 2007-1 | The sum of the expenditures listed on the quarterly form SF 269 for the year ended December 31, 2007 was \$528,111 more than the expenditures listed on the financial statement for the DOJ Rural grant. |

Source: FY 2006 and 2007 Single Audit Reports

Due to the repeat finding concerning the posting of credit card and other transactions, we increased the sample size for transactions tested as described in the Grant Expenditure Section (See *Other Direct Costs*). Additionally, as of February 1, 2010, ADABI's FY 2008 Single Audit was delinquent. Therefore, we recommend ADABI implement procedures to ensure timely completion of the single audits.

Financial Management System

ADABI's financial management system contains applications for general accounting, payroll, accounts payable, accounts receivable, and check writing. The financial management system provides for segregation of duties, transaction traceability, system security, and limited access. Based on our review of ADABI's policies and procedures, interviews with ADABI personnel, and observation of the system, it appears there are adequate internal controls to ensure compliance with applicable grant and OJP requirements. However, ADABI does not have approved documented financial policies and procedures in place, although it does have a draft document it consults. Therefore, we recommend that ADABI approve and implement the draft financial policies and procedures.

Drawdowns

According to ADABI management, drawdowns are requested monthly as reimbursements based on accounting record expenditures and appropriate supporting documents. However, ADABI did not have the drawdown request forms with supporting documentation available during our field work. According to ADABI management, this situation occurred

because the previous Executive Director had taken the records from the files and placed them in boxes throughout the ADABI facility. Therefore, we requested and received general ledger excerpts for both grants based on the periods between drawdowns. These excerpts were the basis for our assessment of the drawdowns. In May 2010, 4 months after our field work, ADABI located and provided the actual drawdown requests. Our evaluation of these drawdown requests did not change our findings or recommendations.

For the Rural DV Program grant, the drawdown requests included not only ADABI expenses, but also reimbursement requests from the HFWC and FHP. As a result, for the Rural DV Program grant, in 30 instances out of 65 drawdowns ADABI drawdowns exceeded recorded expenses. For the Tribal Coalitions Program grant, in 13 instances out of 26 drawdowns ADABI drawdowns exceeded recorded expenses. We found that for both grants, the drawdown requests and support documentation usually matched the drawdown. However, there were instances where the drawdowns did not reconcile with support documents and adjustments to the general ledger were unsupported. Therefore, we recommend that ADABI improve its method of completing and maintaining drawdown requests and supporting documentation.

Grant Expenditures

The *OJP Financial Guide* (the Guide) serves as a primary reference manual to assist award recipients in fulfilling their fiduciary responsibility to safeguard grant funds and ensure funds are used for the purposes for which they were awarded. The Guide should serve as a day-to-day management tool for OJP award recipients and may also be used by subrecipients in administering their grant programs. The provisions of the Guide apply to all grantor agency awards by establishing the factors affecting the allowability, reasonableness, and allocability of both direct and indirect costs charged to DOJ grants.

Personnel Expenses

We reviewed ADABI's personnel files and verified labor charges were computed correctly, properly authorized, accurately recorded, and properly allocated to the grant. We also verified whether pay rates and positions were accurate as compared to those allowed in the approved budget. Generally, the percentages of salaries allocated to grant funds exceeded the

budgeted amount. However, due to lower benefit costs ADABI did not violate the 10 percent rule for budget modification between line items.³

Additionally, we found that the timesheet prepared by the Executive Director and the hours paid did not always match. According to the Executive Director, she frequently worked extra hours and would offset these extra hours by working fewer hours in other weeks. We verified this by checking the time and attendance sheets; and, while it appears that these average out, it is a violation of the *OJP Financial Guide's* requirement for maintaining accurate records resulting in inadequate accounting for time worked. We recommend that ADABI modify its payroll system to ensure time and attendance reconciles to payroll.

Other Direct Costs

We reviewed the accounting records for Grant Numbers 2005-IW-AX-0007 and 2005-WR-AX-0068. Due to findings in ADABI's FY 2006 and FY 2007 Single Audit Reports concerning accounting practices, we increased our judgmental sample size for transaction testing for each grant. For Grant Number 2005-IW-AX-0007, we examined 65 transactions totaling \$66,320 or 28 percent of the \$233,965 awarded. For Grant Number 2005-WR-AX-0068, we examined 156 transactions totaling \$168,281 or 9.9 percent of the \$1,696,485 awarded.

We found that transactions generally were allowable and supported. However, for Grant Number 2005-IW-AX-0007, we found seven transactions totaling \$15,186 were not properly supported. For Grant Number 2005-WR-AX-0068, we found six transactions totaling \$7,212 were not properly supported. The total combined questioned costs for unsupported transactions are \$22,398 (see Appendix II for details of unsupported costs). Additionally, for the Tribal Coalition Program grant, ADABI recorded SWIWC expenses as "subcontractor" rather than separating into actual expense categories, such as supplies or payroll, resulting in inaccurate accounting of expenses. Therefore, we recommend ADABI establish procedures to ensure expenses are properly classified in the accounting records, and transactions are properly supported.

³ The 10 percent rule refers to the 28 CFR § 66.30 requirement that total movements of amounts of more than 10 percent of the total award between budget categories requires prior approval of the granting agency.

Matching

The Tribal Coalition Program grant, 2005-IW-AX-0007, had a matching requirement of 25 percent, or \$77,988 of the approved budget of \$311,958. Based on our analysis of transactions, we found that the matching requirement was met. However, although ADABI tracked the matching on an Excel spreadsheet, ADABI failed to transfer the results to the permanent accounting records. This is a violation of the *OJP Financial Guide's* requirement to "establish and maintain accounting systems and financial records to accurately account for funds awarded," including all matching funds. We recommend ADABI adopt procedures to ensure matching requirements are accurately recorded in the permanent accounting system.

Reports

According to the *OJP Financial Guide*, award recipients are required to submit both financial and program reports. These reports describe the status of the funds and the project, compare actual accomplishments to the objectives, and report other pertinent information. We reviewed the Financial Status Reports (FSRs) and the Categorical Assistance Progress Reports (Progress Reports) submitted by ADABI to determine whether each report was timely and accurate.

Financial Status Reports

According to the *OJP Financial Guide*, quarterly FSRs are due no later than 45 days after the end of the quarter, with the final FSR due within 90 days after the end date of the award. We reviewed the timeliness of the last four FSRs submitted during the award period for Grant Numbers 2005-IW-AX-0007 and 2005-WR-AX-0068. Based on our review, and as shown in Exhibits 3 and 4, we found that the ADABI generally submitted reports late.

EXHIBIT 3. DAYS LATE SUBMITTING FSRs (2005-IW-AX-0007)

| | Report Period From - To Dates | Report Due Date (M/D/YY) | Date Submitted (M/D/YY) | Days Late |
|---|----------------------------------|-----------------------------|----------------------------|-----------|
| 1 | 7/1/07 to 9/30/07 | 11/14/2007 | 12/6/2007 | 22 |
| 2 | 4/1/07 to 6/30/07 | 8/14/2007 | 8/30/2007 | 16 |
| 3 | 1/1/07 to 3/31/07 | 5/15/2007 | 5/22/2007 | 7 |
| 4 | 10/1/06 to 12/31/06 | 2/14/2007 | 2/15/2007 | 1 |

Source: ADABI Financial Status Reports

As Shown in Exhibit 3, for Grant Number 2005-IW-AX-0007, the last four FSRs submitted ranged from 1 to 22 days late.

EXHIBIT 4. DAYS LATE SUBMITTING FSRs (2005-WR-AX-0068)

| | Report Period From - To Dates | Report Due Date (M/D/YY) | Date Submitted (M/D/YY) | Days Late |
|---|----------------------------------|-----------------------------|----------------------------|-----------|
| 1 | 7/1/09 to 9/30/09 | 11/14/2009 | 11/18/2009 | 4 |
| 2 | 4/1/09 to 6/30/09 | 8/14/2009 | 8/17/2009 | 3 |
| 3 | 1/1/09 to 3/31/09 | 5/15/2009 | 5/15/2009 | 0 |
| 4 | 10/1/08 to 12/31/08 | 2/14/2009 | 2/25/2009 | 11 |

Source: ADABI Financial Status Reports

As shown in Exhibit 4, for Grant Number 2005-WR-AX-0068, three of the last four FSRs submitted ranged from 3 to 11 days late. Exhibits 3 and 4 demonstrate ADABI has been delinquent in submitting FSRs. Based on our review of the timeliness of FSRs, we recommend ADABI develop and implement procedures to ensure timely submission of future FSRs.

We also reviewed 100 percent of the FSRs for both grants to determine the accuracy of the FSRs. We found that only 3 of the 10 FSRs for Grant Number 2005-IW-AX-0007 reconciled to the accounting records, and none of the 17 FSRs for Grant Number 2005-WR-AX-0068 reconciled with the accounting records. We were unable to determine how FSRs were prepared or the basis for the numbers reported. Therefore, we recommend that ADABI implement procedures to ensure future FSRs are accurate and properly supported.

Exhibits 5 and 6 show the last four FSRs from each grant to illustrate the ongoing differences between the FSR reported expenses and those recorded in the general ledger. For Grant Number 2005-IW-AX-0007, as shown in Exhibit 5, the FSR quarterly totals do not match the accounting record quarterly totals except for the quarter ending June 30, 2007.

**EXHIBIT 5. ACCURACY OF FSRs FOR GRANT NUMBER
2005-IW-AX-0007**

| REPORT PERIOD FROM - TO DATES | EXPENDITURES PER FSR | FSR CUMULATIVE TOTAL | EXPENDITURES PER ACCOUNTING RECORDS. | ACCOUNTING RECORD CUMULATIVE TOTAL | QUARTER DIFFERENCE ([-] = FSR EXCEEDS GENERAL LEDGER) | CUMULATIVE DIFFERENCE ([-] = FSR EXCEEDS GENERAL LEDGER) |
|----------------------------------|-------------------------|----------------------------|---|---|--|---|
| 7/1/07 to 9/30/07 | 108,338 | 311,953 | 25,944 | 229,638 | -82,394 | -82,315 |
| 4/1/07 to 6/30/07 | 55,043 | 203,615 | 55,043 | 203,694 | 0 | 79 |
| 1/1/07 to 3/31/07 | 29,508 | 148,572 | 29,167 | 148,651 | -341 | 79 |
| 10/1/06 to 12/31/06 | 36,095 | 119,064 | 36,515 | 119,484 | 420 | 420 |

Source: ADABI FSRs for Grant Number 2005-IW-AX-0007

The cumulative totals do not match on any FSR. The majority of the -\$82,315 in the quarter ending September 30, 2007, results from the recording of the matching amount on the FSR, but the match was not recorded in the accounting records. This issue was discussed previously in the *Matching* section.

As shown in Exhibit 6, for Grant Number 2005-WR-AX-0068, the only instance of quarterly or cumulative accounting records matching the amounts reported on the FSRs came in the period ending December 31, 2009.

**EXHIBIT 6. ACCURACY OF FSRs FOR GRANT NUMBER
2005-WR-AX-0068**

| REPORT PERIOD FROM - TO DATES | EXPENDITURES PER FSR | FSR CUMULATIVE TOTAL | EXPENDITURES PER ACCOUNTING RECORDS. | ACCOUNTING RECORD CUMULATIVE TOTAL | QUARTER DIFFERENCE ([-] = FSR EXCEEDS GENERAL LEDGER) | CUMULATIVE DIFFERENCE ([-] = FSR EXCEEDS GENERAL LEDGER) |
|----------------------------------|-------------------------|----------------------------|---|---|--|---|
| 10/1/09 to 12/31/09 | 75,694 | 1,569,724 | 75,694 | 1,507,943 | 0 | -61,781 |
| 7/1/09 to 9/30/09 | 29,411 | 1,494,030 | 89,811 | 1,432,250 | 60,400 | -61,781 |
| 4/1/09 to 6/30/09 | -231,852 | 1,464,619 | 92,901 | 1,342,439 | 324,753 | -122,180 |
| 1/1/09 to 3/31/09 | 29,500 | 1,696,471 | 101,008 | 1,249,537 | 71,508 | -446,934 |

Source: ADABI FSRs for Grant Number 2005-WR-AX-0068

The majority of the differences between the reporting period amounts and the cumulative total amounts are attributed to how HFWC and FHP expenses are recorded in the ADABI accounting record. When HFWC and FHP submit reimbursement requests to ADABI, the requests are added to ADABI's expenses and submitted to OJP for reimbursement. ADABI does not

record the expenses of the HFWC and FHP reimbursements in its accounting records until the reimbursement from OJP is received by ADABI and HFWC and FHP have been reimbursed. This creates a time gap between the receipt of the drawdown and the recording of expenses in ADABI's accounting records. As a result, we recommend that ADABI modify its drawdown procedures for future awards to ensure the accounting records match the actual drawdowns.

Progress Reports

According to the *OJP Financial Guide*, Categorical Assistance Progress Reports (Progress Reports) are "prepared twice a year and are used to describe the performance of activities or the accomplishment of objectives as set forth in the approved award application." We reviewed the Progress Reports for both grants for the last four semiannual reporting periods to determine timeliness and accuracy.

**EXHIBIT 7. DAYS LATE SUBMITTING PROGRESS REPORTS
(2005-IW-AX-0007)**

| Report Period From - To Dates | Report Due | Date Submitted | Days Late |
|----------------------------------|------------|----------------|-----------|
| 7/1/2007 to 12/31/2007 | 1/30/2008 | 11/30/2007 | 0 |
| 1/1/2007 to 6/30/2007 | 7/30/2007 | 7/9/2007 | 0 |
| 7/1/2006 to 12/31/2006 | 1/30/2007 | 1/29/2007 | 0 |
| 1/1/2006 to 6/30/2006 | 7/30/2006 | 7/24/2006 | 0 |

Source: ADABI Progress Reports

As shown in Exhibit 7, For Grant Number 2005-IW-AX-0007, the last four Progress Reports, which were submitted in 2006 and 2007, were all submitted on time. However, as shown in Exhibit 8, for Grant Number 2005-WR-AX-0068, three of the last four Progress Reports, which were submitted in 2009 and 2010, were 12 to 42 days late. Based on our review, we found that recent reports were being submitted late; therefore, we recommend that ADABI implement procedures to ensure future Progress Reports are submitted in a timely manner.

**EXHIBIT 8. DAYS LATE SUBMITTING PROGRESS REPORTS
(2005-WR-AX-0068)**

| Report Period From - To Dates | Report Due | Date Submitted | Days Late |
|----------------------------------|------------|----------------|-----------|
| 7/1/2009 to 12/31/2009 | 1/30/2010 | 3/4/2010 | 33 |
| 1/1/2009 to 6/30/2009 | 7/30/2009 | 8/11/2009 | 12 |
| 7/1/2008 to 12/31/2008 | 1/30/2009 | 3/13/2009 | 42 |
| 1/1/2008 to 6/30/2008 | 7/30/2008 | 7/30/2008 | 0 |

Source: ADABI Progress Reports

We also reviewed available documentation to determine if funds had been withheld as a result of reports being late. We found that over the 2½-year period from July 1, 2007, through December 31, 2009, OJP froze funds 10 times, as shown in Exhibit 9. Six instances were due to late FSRs and four instances were due to late Progress Reports.

EXHIBIT 9. ADABI FUNDS FROZEN BY OJP DUE TO LATE REPORTS

| GAN # | Date | Reason for freeze | Reporting Period |
|-------|----------|-------------------------------|-------------------|
| 6 | 2/14/08 | Delinquent Progress Report #5 | 7/01/07 -12/31/07 |
| 7 | 2/15/08 | Delinquent FSR | 10/1/07-12/31/07 |
| 14 | 8/15/08 | Delinquent FSR | 4/1/08-6/30/08 |
| 17 | 11/15/08 | Delinquent FSR | 7/1/08-9/30/08 |
| 19 | 2/14/09 | Delinquent Progress Report #7 | 7/01/08 -12/31/08 |
| 20 | 2/15/09 | Delinquent FSR | 10/1/08-12/31/08 |
| 23 | 8/14/09 | Delinquent Progress Report #8 | 1/1/09-6/30/09 |
| 24 | 8/15/09 | Delinquent FSR | 4/1/09-6/30/09 |
| 29 | 11/15/09 | Delinquent FSR | 7/1/09-9/30/09 |
| 33 | 2/14/10 | Delinquent Progress Report #9 | 7/01/09 -12/31/09 |

Source: ADABI Grant Adjustment Notifications

As stated in the special conditions of the award documents for both grants, "Under the Government Performance and Results Act (GPRA) and VAWA 2000, grantees are required to collect and maintain data that measure the effectiveness of their grant-funded activities. Accordingly, the grantee agrees to submit semi-annual electronic Progress Reports on program activities and program effectiveness measures." To accommodate this mandatory reporting as identified in the special conditions, OVW includes these metrics in its pro forma online Progress Reports in the Grant Management System (GMS). We reviewed the monthly Progress Reports and found the required data reported as summarized in Exhibits 10 and 11.

EXHIBIT 10. SPECIAL REPORTING REQUIREMENTS FOR GRANT NUMBER 2005-IW-AX-0007

| Criteria/Report Period Ending | 12/31/05 | 6/30/06 | 12/31/06 | 6/30/07 | 12/31/07 |
|------------------------------------|----------|---------|----------|---------|----------|
| No. of Programs belonging to SWIWC | 7 | 7 | 7 | 8 | 8 |
| No. of Staff of SWIWC | 0.3 | 0 | 1.4 | 1.3 | 1.2 |

Source: ADABI Progress Reports for Grant Number 2005-IW-AX-0007

EXHIBIT 11. SPECIAL REPORTING REQUIREMENTS FOR GRANT NUMBER 2005-WR-AX-0068

| Criteria/Report Period Ending | 12/31/05 | 6/30/06 | 12/31/06 | 6/30/07 | 12/31/07 | 6/30/08 | 12/31/08 | 6/30/09 |
|---|----------|---------|----------|---------|----------|---------|----------|---------|
| Victims Receiving Service | 0 | 0 | 1087 | 1317 | 110 | 12 | 0 | 56 |
| Persons Seeking Service not served | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 0 |
| % Arrests to DV Incidents | 0% | 0% | 0% | 75% | 0% | 0% | 0% | 0% |
| No. of Referrals (CPS & Victim Advocates) | 0 | 0 | 52 | 30 | 0 | 0 | 0 | 0 |

Source: ADABI Progress Reports for Grant Number 2005-WR-AX-0068

Based on the data in Exhibits 10 and 11, it appears that ADABI and SWIWC complied with the GPRA special reporting requirements for Grant Number 2005-IW-AX-0007. However, for Grant Number 2005-WR-AX-0068, data is not being recorded or may not be collected by ADABI as required by the GPRA special reporting requirements. Of particular concern is that for three periods, there were no reported victims receiving service, and for six of the eight periods there were no referrals. Therefore, we recommend that ADABI implement procedures to ensure compliance with GPRA special reporting requirements.

Conclusion

We examined ADABI's accounting records, Financial Status Reports (FSRs), Categorical Assistance Progress Reports (Progress Reports), operating policies and procedures, and budget management. Our audit did not disclose any noncompliance with regard to budget management and control. We found that ADABI met the match requirement for the Tribal Coalitions Program grant, 2005-IW-AX-0007. Additionally, we found that the performance under both grants was acceptable. However, we found that, while there were adequate operating policies and procedures, ADABI does not have approved written financial policies and procedures in place. Also, we found that drawdowns and support documents were inaccurate and notations concerning adjustments to the general ledger were unsupported, some expenses were not accurately recorded in the proper expense categories, and support documentation was inadequate resulting in \$22,398 in questioned costs. Additionally, payroll records did not always accurately match the hours worked, percentages of salaries charged to the grant exceeded the budget, matching was not recorded in the accounting system, FSRs typically did not reconcile to the accounting records and were generally late, and Progress Reports appeared incomplete and were generally late. Specifically, we found the following:

- ADABI does not have approved written financial policies and procedures, although they do consult an unofficial draft.
- ADABI was delinquent in completing its FY 2008 Single Audit.
- Some drawdown requests were ambiguous and inaccurate, resulting in the inability to reconcile drawdowns with accounting records.
- For Grant Number 2005-IW-AX-0007, expenses were incorrectly combined into a single category as subcontractor expenses rather than the appropriate account categories.
- Unsupported questioned costs totaling \$15,186 for Grant Number 2005-IW-AX-0007.
- Unsupported questioned costs totaling \$7,212 for Grant Number 2005-WR-AX-0068.
- Hours paid to the Executive Director for Grant Number 2005-IW-AX-0007 did not always match the hours worked, resulting in inaccurate payroll records.

- Percentages of salaries charged to grants exceeded the approved grant budget allocation.
- Matching costs for Grant Number 2005-IW-AX-0007 were not recorded in the accounting system.
- FSRs for both grants generally did not reconcile to the accounting records.
- FSRs for both grants were submitted from 1 to 22 days late.
- Progress Reports for Grant Number 2005-WR-AX-0068 were late from 12 to 42 days.
- Progress Reports for six of eight reporting periods were missing data required by the special conditions for Grant Number 2005-WR-AX-0068.

These items are discussed in detail in the Findings and Recommendations Section of the report. Our audit objective, scope, and methodology are discussed in Appendix III.

Recommendations

We recommend that the OVW ensures that the ADABI:

1. Implement written financial policies and procedures.
2. Implement procedures to ensure timely completion of single audits.
3. Implement procedures to ensure drawdowns are accurate and supported by accounting records.
4. Implement procedures to ensure expenses are properly categorized in the accounting records.
5. Remedy \$15,186 in unsupported questioned costs for Grant Number 2005-IW-AX-0007.
6. Remedy \$7,212 in unsupported questioned costs for Grant Number 2005-WR-AX-0068.
7. Implement procedures to ensure payroll records reconcile with time and attendance records.

8. Implement procedures to ensure adherence to the grant approved budget.
9. Implement procedures to ensure matching costs are properly recorded in the accounting system.
10. Implement procedures to ensure FSRs are accurate and reconcile to the accounting records.
11. Implement procedures to ensure timely submission of FSRs.
12. Implement procedures to ensure timely submission of Progress Reports.
13. Implement procedures to ensure adherence to award special conditions and reporting requirements.

SCHEDULE OF DOLLAR-RELATED FINDINGS

| QUESTIONED COSTS ⁶ | AMOUNT ⁷ | PAGE |
|---|---------------------|------|
| Unsupported Direct Costs (Appendix II) | | |
| 2005-IW-AX-0007 | \$ 15,186 | 9 |
| 2005-WR-AX-0068 | 7,212 | 9 |
| Total Unsupported Direct Costs | \$ 22,398 | |
| Total Questioned Costs | \$ 22,398 | |
| TOTAL DOLLAR RELATED FINDINGS | \$ 22,398 | |

Source: Office of the Inspector General

⁶ **Questioned Costs** are expenditures that do not comply with legal, regulatory or contractual requirements, or 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.

⁷ Differences in totals throughout the report are due to rounding (the sum of individual numbers prior to rounding may differ from the sum of the individual numbers rounded).

UNSUPPORTED QUESTIONED COSTS

UNSUPPORTED QUESTIONED COSTS FOR GRANT 2005-IW-AX-0070

| No. | DATE | CHECK NUMBER | MEMO ⁸ | PAID AMOUNT |
|--------------|----------|--------------|----------------------------|------------------|
| 5 | 11/7/06 | 10725 | office supplies | \$ 216.44 |
| 10 | 12/11/06 | 10800 | credit card pymt | 1,000.00 |
| 30 | 7/6/06 | 10348 | ldging | 2,900.00 |
| 31 | 8/29/06 | 10512 | r/t mileage, 2006 | 243.58 |
| 63 | 5/9/07 | 11149 | credit card pymt (partial) | 906.09 |
| 64 | 5/9/07 | 11150 | credit card pymt (partial) | 4,849.63 |
| 65 | 5/9/07 | 11151 | credit card pymt | 5,070.53 |
| TOTAL | | | | \$ 15,186 |

Source: Office of the Inspector General

UNSUPPORTED QUESTIONED COSTS FOR GRANT 2005-WR-AX-0068

| No. | DATE | CHECK NUMBER | MEMO | PAID AMOUNT |
|--------------|---------|--------------|------------------------------|--------------------|
| 3 | 10/8/08 | 0 | Late fees on Auto tags | \$ 24.00 |
| 27 | 5/9/07 | 11151 | credit card pymt | 850.63 |
| 31 | 9/25/08 | 0 | Investigative Audit | 3,368.26 |
| 32 | 8/11/08 | 891 | Legal Fees 07/24/08-07/29/08 | 1,130.73 |
| 155 | 5/9/07 | 11149 | credit cart pymt (partial) | 910.94 |
| 156 | 5/9/07 | 11150 | credit card pymt (partial) | 927.64 |
| TOTAL | | | | \$ 7,212.20 |

Source: Office of the Inspector General

⁸ Abbreviations in the memo section appear as presented by ADABI.

OBJECTIVES, SCOPE, AND METHODOLOGY

The purpose of this audit was to determine whether reimbursements claimed for costs under the grants were supported; allowable; and in accordance with applicable laws, regulations, guidelines, terms and conditions of the grant and to determine program performance and accomplishments. The objective of our audit was to review performance in the following areas: (1) internal control environment, (2) drawdowns, (3) grant expenditures, including personnel and indirect costs, (4) budget management and control, (5) matching, (6) property management, (7) program income, (8) financial status and progress reports, (9) grant requirements, (10) program performance and accomplishments, and (11) monitoring of subgrantees and contractors. We determined that program income, property management, indirect costs, and management of contractors were not applicable to these grants.

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.

Our audit scope was from the inception of the grants through the most recent period for which there were complete financial records, which was December 31, 2009. The Tribal Coalition Program grant, 2005-IW-AX-0007, began September 3, 2005, and was closed September 10, 2008; the Rural Domestic Violence Program grant, 2005-WR-AX-0068, began September 27, 2005, and was still open as of December 31, 2009.

We tested compliance with what we consider to be the most important conditions of the grant. Unless otherwise stated in our report, the criteria we audit against are contained in the *OJP Financial Guide* and the award documents.

In conducting our audit, we performed sample testing in five areas: grant expenditures, including payroll and matching; FSRs; and Progress Reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed, such as dollar amounts or expenditure category. Due to findings in ADABI's Single Audit Reports of Fiscal Years 2006 and 2007 concerning credit card transactions and other unusual transactions recorded in the financial

statements as miscellaneous, it was determined the sample size for transaction testing would be expanded to 156 for Grant Number 2005-WR-AX-0068 and 65 for Grant Number 2005-IW-AX-0007.

Additionally, we reviewed payroll records for two ADABI employees covering two pay periods for Grant Number 2005-IW-AX-0007; two employees covering one pay period, and five employees covering another pay period for Grant Number 2005-WR-AX-0068; six matching transactions; all FSRs for both grants; and the last four Progress Reports for each grant. This nonstatistical sample design does not allow for projection of the test results to the universes from which the samples were selected.

In addition, we assessed the grantee's monitoring of subrecipients and evaluated performance to grant objectives. However, we did not test the reliability of the financial management system as a whole and reliance on computer-based data was not significant to our objectives.

ADABI RESPONSE TO DRAFT AUDIT REPORT

July 23, 2010

U.S. Department of Justice
Office of the Inspector General
Denver Regional Audit Office
1120 Lincoln, Suite 1500
Denver, Colorado 80203

Dear Mr. Sheeren:

This is to provide a written response to your monitoring/draft report of ADABI's site visit conducted on January 11-15, 2010.

The following is a brief narrative responding to the items listed under "Recommendations" in your monitoring/draft report.

Recommendations for Improvement

1.) It is recommended ADABI implement written financial policies and procedures.

Response: ADABI's Executive Director has a draft Financial Operations Policy Manual, it has been presented to the Board of Directors and Lawyer for their review and should be finalized by the end of December 2010.

2.) It is recommended the ADABI implement procedures to ensure timely completion of single audits.

3.) Response: ADABI will implement in the Financial Policies and Procedures to ensure timely completion of single audits. The Financial Policies and Procedures are currently being reviewed by ADABI's Board of Directors and Lawyer and should be finalized by the end of December 2010. According to the current Draft FPP it does not include Completion of Single audits in a timely matter, the ED will work/include in the Draft FPP and present to the Board of Directors.

4.) It is recommended that ADABI implement procedures to ensure draw downs as accurate and supported by accounting records.

Response: ADABI administrative assistant and book keeper will keep an accurate spread sheet to clarify each drawn downs as accurate and supported by accounting records. According to the Draft FPP it does not include draw downs, the ED will work/include in the Draft FPP and present it to the Board of Directors.

5.) **It is recommended ADABI implement procedures to ensure expenses are properly categorized in the accounting records.**

Response: ADABI will implement procedures to ensure expenses are properly categorized in the accounting records no later than December 2010. Currently ADABI book keeper utilizes an accounting software that categorizes each expense and account/expense is identified properly.

6.) **It is recommended ADABI remedy \$15,186.00 in unsupported questioned costs for Grant Number 2005-IW-AX-0007.**

Response: This was due to Credit Card expenses with no receipts, currently ADABI no longer has a credit card account. For all expenses that will be paid for by grant funds, ADABI will require an original receipt along with the invoice. ADABI staff searched high and low for receipts but files were displaced and misplaced by former staff and paper work placed in boxes in a room without any form or organization and we did the best at finding what we could. ADABI has learned a huge lesson and will try not to make this mistake again.

6.) **It is recommended ADABI remedy \$7,212.00 in unsupported questioned costs for Grant Number 2005-WR-AX-0068.**

Response: This was due to Credit Card expenses with no receipts, currently ADABI no longer has a credit card account. For all expenses that will be paid for by grant funds, ADABI will require an original receipt along with the invoice. ADABI staff searched high and low for receipts but files were displaced and misplaced by former staff ad paper work placed in box, in a room without any form or organization and we did the best at finding what we could. ADABI has learned a huge lesson and will try not to make this mistake again.

7.) **It is recommended ADABI implement procedures to ensure payroll reconciles with time and attendance. According to the FPP it lists the step by step policy of when and how issuing payroll and time and attendance records and posts information for payroll in the general ledger.**

Response: ADABI has purchased a digital time clock for staff to clock in and out during their work hours, this has been implemented in the Financial Policies and Procedures. According to the Draft Financial Policies and Procedures it has a step by step policy from AA to BK then to ED for final review and signature.

8.) **It is recommended ADABI implement procedures to ensure adherence to the grant approved budget.**

Response: Ensuring adherence to the grant approval budget has been implemented in the Financial Policies and Procedures and is currently being reviewed by ADABI's Board of Directors and Lawyer. ADABI currently uses a spreadsheet for all expenditures and the Book Keeper keeps spreadsheets current and updated every week. The Administrative Assistant matches to ensure the balance is correct.

9.) **It is recommended ADABI implement procedures to ensure matching costs are properly recorded in the accounting system.**

Response: ADABI will implement procedures to ensure matching costs are properly recorded in the accounting system, this is included in the Financial Policy and Procedures. The FPP states: To complete the process for in-kind donations, contributions, interest and all other income, the Administrative Assistant and Executive Director, follow the appropriate steps as stipulated under, *Deposit of Funds* however it does not specifically say "matching" so the ED will work on this and present/include in the policy.

10.) **It is recommended ADABI implement procedures to ensure FSR's are accurate and reconciled to the accounting records.**

Response: ADABI will implement procedures in the Financial Policies and Procedures to ensure FSR's are accurate and reconciled to the accounting records. Currently ADABI's Administrative Assistant and Book Keeper will work together to ensure the Financial Status Report's are accurate and reconciled to the accounting records.

11.) **It is recommended ADABI implement procedures to ensure timely submission of FSR's.**

Response: ADABI will implement procedures in the Financial Policies and Procedures to ensure FSR's are accurate and reconciled to the accounting records. Currently ADABI's Administrative Assistant and Book Keeper will work together to ensure the FSR's are accurate and reconciled to the accounting records and submitted on time and in the Draft FPP it does not have a time line, ED will work/include a time of due date in the policy.

12.) **It is recommended ADABI implement procedures to ensure timely submission of Progress Reports.**

Response: ADABI will implement procedures to ensure timely submission of Progress Reports no later than December 2010. Currently the Draft FPP does not have a time line, ED will work/include a time of due date in the policy.

13.) **It is recommended ADABI implement procedures to ensure adherence to award special conditions and reporting requirements.**

APPENDIX IV

Response: ADABI will implement in the Financial Policies and Procedures to ensure adherence to award special conditions and reporting requirements no later than December 2010.

Responses to the DOJ draft audit recommendations, the procedures will be developed (and/or in existence) and are in writing.

Should you have any questions, please call Ralphine Archie or me at 928-674-8314. Thank you.

Respectfully,

/s/ Lorena T. Halwood

Lorena T. Halwood

Executive Director

Cc: Ralphine Archie, ADABI Administrative Assistant

OVW RESPONSE TO DRAFT AUDIT REPORT

August 26, 2010

MEMORANDUM

TO: David Sheeren
Regional Audit Manager
Denver Regional Audit Office

FROM: Susan B. Carbon
Director
Office on Violence Against Women

Rodney Samuels
Audit Liaison
Office on Violence Against Women

SUBJECT: Response to the Draft Audit Report - Audit of the Ama Doo Alchini Bighan, Incorporated (ADABI). Chinle, Arizona

This memorandum is in response to your correspondence dated May 12, 2010 transmitting the above draft audit report for Ama Doo Alchini Bighan, Incorporated (ADABI). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains **thirteen** recommendations and **\$22,398** in unsupported questioned costs. The Office on Violence Against Women (OVW) agrees with the recommendations and is committed to working with the grantee to address each item and bring them to a close as quickly as possible. The following is an analysis of the audit recommendations:

1. **Implement written financial policies and procedures.**

OVW agrees with this recommendation. We will coordinate with ADABI to obtain a copy of the newly implemented written financial policies and procedures.

2. Implement procedures to ensure timely completion of single audits.

OVW agrees with this recommendation. We will coordinate with ADABI to obtain a copy of the newly implemented procedures written to ensure timely completion of their single audits.

3. Implement procedures to ensure drawdowns are accurate and supported by Accounting records.

OVW agrees with this recommendation. We will coordinate with ADABI to obtain a copy of the newly implemented procedures written to ensure drawdowns are accurate and supported by accounting records.

4. Implement procedures to ensure expenses are properly categorized in the accounting records.

OVW agrees with this recommendation. We will coordinate with ADABI to obtain a copy of the newly implemented procedures written to ensure expenses are properly categorized in the accounting records.

5. Remedy \$15,186 in unsupported questioned costs for Grant Number 2005-IW-AX-0007.

OVW agrees with this recommendation. We will coordinate with ADABI to obtain documentation for the \$15,186 in unsupported questioned costs for Grant No. 2005-IW-AX-0007.

6. Remedy \$7,212 in unsupported questioned costs for Grant Number 2005-WR-AX-0068.

OVW agrees with this recommendation. We will coordinate with ADABI to obtain documentation for the \$7,212 in unsupported questioned costs for Grant No. 2005-WR-AX-0068.

7. Implement procedures to ensure payroll reconciles with time and attendance.

OVW agrees with this recommendation. We will coordinate with ADABI to obtain a copy of the newly implemented procedures written to ensure payroll reconciles with time and attendance.

8. Implement procedures to ensure adherence to the grant approved budget.

OVW agrees with this recommendation. We will coordinate with ADABI to obtain a copy of the newly implemented procedures written to ensure adherence to the grant approved budget.

9. Implement procedures to ensure matching costs are properly recorded in the Accounting system.

OVW agrees with this recommendation. We will coordinate with ADABI to obtain a copy of the newly implemented procedures written to ensure matching costs are properly recorded in the accounting system.

10. Implement procedures to ensure FSRs are accurate and reconcile to the Accounting records.

OVW agrees with this recommendation. We will coordinate with ADABI to obtain a copy of the newly implemented procedures written to ensure FSRs are accurate and reconcile to the accounting records.

11. Implement procedures to ensure timely submission of FSRs.

OVW agrees with this recommendation. We will coordinate with ADABI to obtain a copy of the newly implemented procedures written to ensure timely submission of FSRs.

12. Implement Procedures to ensure timely submission of progress reports.

OVW agrees with this recommendation. We will coordinate with ADABI to obtain a copy of the newly implemented procedures written to ensure timely submission of progress reports.

13. Implement procedures to ensure adherence to award special conditions and reporting requirements.

OVW agree with this recommendation. We will coordinate with ADABI to obtain a copy of the newly implemented procedures written to ensure adherence to award special conditions and reporting requirements.

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

cc: Richard Theis
Assistance Director
Audit Liaison Group
Justice Management Division

Kotora Padgett
Accounting Officer
Office on Violence Against Women

Kathy Howkumi
Program Specialist
Office on Violence Against Women

ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT

1. **Resolved.** This recommendation can be closed when we receive documentation that ADABI has remedied its internal control deficiencies related to implementation of written financial policies and procedures.
2. **Resolved.** This recommendation can be closed when we receive documentation that ADABI has remedied its internal control deficiencies related to ensuring timely completion of single audits.
3. **Resolved.** This recommendation can be closed when we receive documentation that ADABI has implemented procedures to ensure drawdowns are accurate and supported by accounting records.
4. **Resolved.** This recommendation can be closed when we receive documentation that ADABI has implemented procedures to ensure expenses are properly categorized in the accounting records.
5. **Resolved.** This recommendation can be closed when we receive documentation that ADABI has remedied the \$15,186 in unsupported questioned costs for Grant Number 2005-IW-AX-0007.
6. **Resolved.** This recommendation can be closed when we receive documentation that ADABI has remedied the \$7,212 in unsupported questioned costs for Grant Number 2005-WR-AX-0068.
7. **Resolved.** This recommendation can be closed when we receive documentation that ADABI has implemented procedures to ensure payroll records reconcile with time and attendance records.
8. **Resolved.** This recommendation can be closed when we receive documentation that ADABI has implemented procedures to ensure adherence to the grant approved budget.
9. **Resolved.** This recommendation can be closed when we receive documentation that ADABI has implemented procedures to ensure matching costs are properly recorded in the accounting system.
10. **Resolved.** This recommendation can be closed when we receive documentation that ADABI has implemented procedures to ensure FSRs are accurate and reconcile to the accounting records.

- 11. Resolved.** This recommendation can be closed when we receive documentation that ADABI has implemented procedures to ensure timely submission of FSRs.
- 12. Resolved.** This recommendation can be closed when we receive documentation that ADABI has implemented procedures to ensure timely submission of Progress Reports.
- 13. Resolved.** This recommendation can be closed when we receive documentation that ADABI has implemented procedures to ensure adherence to award special conditions and reporting requirements.