



**AUDIT OF THE OFFICE ON VIOLENCE AGAINST
WOMEN LEGAL ASSISTANCE FOR VICTIMS GRANT
AWARDED TO THE MILE HIGH MINISTRIES
DENVER, COLORADO**

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

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EXECUTIVE SUMMARY

The U.S. Department of Justice, Office of the Inspector General, Audit Division, has completed an audit of Grant No. 2009-WL-AX-0007 totaling \$1,015,654 awarded to the Mile High Ministries (MHM) by the Office on Violence Against Women (OVW).¹

Created in 1995, the OVW administers financial and technical assistance to communities across the country that are developing programs, policies, and practices aimed at ending domestic violence, dating violence, sexual assault, and stalking. The MHM's mission is to mobilize communities and equip leaders for transformational work among the poor. The MHM founded the Justice and Mercy Legal Aid Clinic (JAMLAC) in 2006. JAMLAC provides free representation, consultations, and general assistance to individuals struggling with domestic matters, employment, bankruptcy, immigration, landlord/tenant discrepancies, sealing of records, general civil matters, and public benefits.²

The objective of the audit was to assess performance in the key areas of grant management that are applicable and appropriate for the grant under review. These areas included: (1) internal control environment, (2) drawdowns, (3) grant expenditures, (4) monitoring of subgrantees and contractors, (5) budget management and control, (6) financial status and progress reports, (7) program performance and accomplishments, and (8) special grant requirements. We determined that property management, program income, and post grant end-date activities were not applicable to this award.

We tested compliance with what we consider to be the most important conditions of the grant. Unless otherwise stated in this report, the criteria we audit against are contained in the *2009 and 2011 OJP Financial Guides*, the *2012 OVW Financial Grants Management Guide*, and the award documentation.

We examined the MHM's accounting records, financial and progress reports, and operating policies and procedures, and found:

- although grant expenditures are included in the MHM's official accounting records, a separate set of accounting records is maintained for the grant.

¹ Grant No. 2009-WL-AX-0007 was awarded on August 20, 2009, and the grant ends on September 30, 2015.

² Statements of mission and intent regarding the OVW and the MHM have been taken from the agencies' website directly (unaudited).

However, we found discrepancies between the two sets of accounting records and there were no procedures to reconcile the MHM accounting records with the grant accounting records;

- JAMLAC employees did not maintain timesheets;
- \$367,520 in questioned payroll costs, including \$362,796 in unsupported personnel expenditures and \$4,724 in unallowable personnel expenditures;³
- \$3,513 in unsupported direct costs;
- expenditures that were not properly authorized; and
- MHM did not maintain documentation supporting the data reported for training activities and volunteer services provided by grant-funded personnel.

This report contains seven recommendations, which are detailed in the *Findings and Recommendations* section of this report. Our audit objectives, scope, and methodology are discussed in *Appendix I*.

³ Some personnel costs were questioned for more than one reason. A summary of questioned costs can be found in *Appendix II*.

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AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN LEGAL ASSISTANCE FOR VICTIMS GRANT AWARDED TO MILE HIGH MINISTRIES DENVER, COLORADO

INTRODUCTION

The U.S. Department of Justice, Office of the Inspector General, Audit Division, has completed an audit of Grant No. 2009-WL-AX-0007 totaling \$1,015,654 awarded to the Mile High Ministries (MHM) by the Office on Violence Against Women (OVW).¹

Background

Created in 1995, the OVW administers financial and technical assistance to communities across the country that are developing programs, policies, and practices aimed at ending domestic violence, dating violence, sexual assault, and stalking. The OVW's stated mission 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. Currently, the OVW administers 3 formula-based and 18 discretionary grant programs, established under the *Violence Against Women Act* and subsequent legislation.

The MHM's mission is to mobilize communities and equip leaders for transformational work among the poor. Since 1988 MHM has been inviting people from all walks of life to participate in a blend of practical efforts renewing lives and communities-projects such as transformational housing, legal advocacy, small business development, and training urban leaders. The MHM founded the Justice and Mercy Legal Aid Clinic (JAMLAC) in 2006. The JAMLAC has become a safe and confidential resource for victims of daily hardship and cruelty. JAMLAC provides free representation, consultations, and general assistance to individuals struggling with domestic matters, employment, bankruptcy, immigration, landlord/tenant discrepancies, sealing of records, general civil matters, and public benefits. The primary goal of the JAMLAC staff is to provide holistic support to the impoverished people within the metro Denver community. JAMLAC partners with various organizations which focus their effort on the homeless and those in danger of becoming homeless.²

Grant No. 2009-WL-AX-0007 was awarded under the Legal Assistance for Victims Grant Program (Legal Assistance Program) and is administered by the MHM. The Legal Assistance Program strengthens civil and criminal legal assistance for victims of sexual assault, stalking, domestic violence, and dating violence through

¹ Grant No. 2009-WL-AX-0007 was awarded on August 20, 2009, and the grant ends on September 30, 2015.

² Statements of mission and intent regarding the OVW and the MHM have been taken from the agencies' website directly (unaudited).

innovative, collaborative programs. This program provides victims with representation and legal advocacy in family, immigration, administrative agency, or housing matters, protection or stay-away order proceedings, and other similar matters. The Legal Assistance Program increases the availability of civil and criminal legal assistance in order to provide effective aid to victims who are seeking relief in legal matters arising because of abuse or violence.

Our Audit Approach

The objective of the audit was to assess performance in the key areas of grant management that are applicable and appropriate for the grant under review. These areas included: (1) internal control environment, (2) drawdowns, (3) grant expenditures, (4) monitoring of subgrantees and contractors, (5) budget management and control, (6) financial status and progress reports, (7) program performance and accomplishments, and (8) special grant requirements. We determined that property management, program income, and post grant end-date activities were not applicable to this award.

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, the 2012 OVW Financial Grants Management Guide*, and the award documentation.³ We tested the MHM's:

- **internal control environment** to determine whether the internal controls in place for the processing and payment of funds were adequate to safeguard award funds and ensure compliance with the terms and conditions of the award;
- **drawdowns** to determine whether drawdowns were adequately supported and if the MHM was managing award receipts in accordance with federal requirements;
- **award expenditures** to determine the accuracy and allowability of costs charged to the award;
- **monitoring of subgrantees and contractors** to determine how the MHM administered and monitored contracted funds;
- **budget management and control** to determine the MHM's compliance with the costs approved in the award budgets;
- **Federal Financial Reports (FFR) and progress reports** to determine if the required reports were submitted in a timely manner and accurately reflect award activity; and

³ In February 2012, the OVW issued the *2012 OVW Financial Grants Management Guide*, which is applicable to the grant audited in this report. The *2011 OJP Financial Guide* and the *OJP Financial Guide, October 2009* are also applicable to the grant audited in this report.

- **program performance and accomplishments** to determine if the MHM is capable of meeting the award objectives;
- **Award Requirements** – to determine whether the MHM complied with award guidelines and special conditions.

The results of our analysis are discussed in detail in the *Findings and Recommendations* section of this report. Our audit objectives, scope, and methodology are discussed in *Appendix I*.

FINDINGS AND RECOMMENDATIONS

We found that the MHM did not comply with essential grant conditions in the areas of internal controls, grant expenditures, and grant reporting. Specifically, although grant expenditures are included in the MHM's official accounting records, a separate set of accounting records is maintained for the grant and there were no procedures to reconcile the MHM accounting records with the grant accounting records. Also, the MHM did not maintain timesheets for grant-funded personnel or maintain documentation supporting the data reported for training activities provided by grant-funded personnel. Overall, we identified \$366,309 in Questioned Costs. Based on our audit results, we make three recommendations to address dollar-related findings and four recommendations to improve the management of DOJ grants.

Prior Audits

The *Office of Management and Budget (OMB) Circular A-133* requires that non-federal entities that expend \$500,000 or more per year in federal funding have a single audit performed annually. However, a single audit was not required for MHM because expenditures of federal funds did not exceed the \$500,000 threshold required for a single audit per OMB Circular A-133 for FY 2011 and FY 2012.

As a result, we reviewed MHM's financial statement audits for FYs 2011 and 2012. We noted in the Independent Auditor's Report that MHM received an unqualified opinion for the financial statements ending June 30, 2011, as well as for the financial statements ending June 30, 2012. Also, during our review of the financial statements and the financial statement audits for FY 2011 and FY 2012, we did not note any mention of material weaknesses or significant deficiencies in MHM's internal controls.

Internal Control Environment

We reviewed the MHM's internal control environment, including procurement, receiving, and payment procedures; the payroll system; and monitoring of contractors and subgrantees to determine compliance with the terms and conditions of the grant and to assess risk.

The Operations Director stated that MHM has used QuickBooks since its inception to track the financial transactions of all MHM programs (including the JAMLAC). However, according to MHM officials its Chart of Account structure was not consistent with the requirements of OVW and as a result, the JAMLAC Associate Director maintains a separate set of QuickBooks accounting records for the grant. MHM officials stated that the accounting records received by the OIG during this audit, were exported from the JAMLAC Associate Director's QuickBooks file for the grant.

When discussing procurement, payment, and approval processes, MHM officials explained that for purchases under \$100 no prior approval is required. The purchaser attaches receipts to a reimbursement form and submits it to the JAMLAC Executive Director for approval. Approved reimbursements are recorded in the grant accounting records by the JAMLAC Associate Director and forwarded to the MHM Operations Director for processing and payment, and recorded in the official MHM accounting records.

Purchases over \$100 are approved by the JAMLAC Executive Director and submitted to the Associate Director for entry into the grant accounting records. The Associate Director then completes a payment request form, with the original supporting documentation attached. Using this form, the MHM Operations Director and the Staff Accountant create and distribute vendor payment, record it in MHM's accounting records, and retain the request form (and receipts).

According to MHM officials, for grant payroll transactions, the JAMLAC Executive Director maintains information for payment allocations and then prepares a payment request to the Associate Director who enters it into the grant accounting records. Using this form, the MHM Operations Director disburses the wages to JAMLAC employees and records the payroll transactions in MHM's accounting records.

The JAMLAC Associate Director also notifies MHM of all grant drawdown requests. The MHM Operations Director and the Staff Accountant enter grant drawdown requests as a receivable in the MHM accounting records and track deposits of drawdown from OVW, ensuring no grant receivables are unfulfilled.

However, during our audit, we noted discrepancies between the grant accounting records maintained by JAMLAC and the MHM accounting records. For example, for the pay period ending April 30, 2010, none of the charges from the MHM paystubs we received were entered into the JAMLAC grant accounting records. We also found that MHM does not perform reconciliations between the two sets of accounting records. Therefore, there is no assurance that all grant transactions are recorded on the JAMLAC grant accounting records that are used to calculate grant drawdowns and prepare financial reports. As a result, we recommend that MHM and JAMLAC officials implement procedures to ensure that grant accounting records reconcile to MHM accounting records.

During our review of MHM payroll procedures, MHM officials stated that employees are paid semi-monthly. According to the *Mile High Ministries Employee Handbook*: Nonexempt employees must record actual time worked for payroll and benefit purposes. Nonexempt employee Weekly Work Hours Report is to be completed in full, signed by the employee and his or her supervisor, and turned in at the end of each pay period to the Executive Director or direct supervisor. Exempt employees are also required to complete a Weekly Work Hours Report recording time worked along with activities and to report full days of absence from scheduled work days for illnesses, leaves of absence, personal time off, etc. Any errors in a Weekly Work Hours Report must be reported immediately to the

supervisor, who will attempt to correct legitimate errors. Altering, falsifying, and tampering with time records, or recording time on or signing another employee's time record is prohibited and subject to disciplinary action, up to and including termination of employment.

However, we determined that timesheets were not maintained for JAMLAC employees paid using grant funds. As discussed in the *Personnel Costs* section of this report, we identified discrepancies with grant payroll involving timekeeping and paystubs. We noted that the Associate Director did not work consistent hours due to his second job (which was not for Mile High Ministries) but there were no timesheets confirming the hours that the Associate Director worked. Also, we noted instances for the second Family Law Attorney, Legal Advocate, Paralegal, and Immigration Attorney where timesheets were not maintained to support portions of time charged to the grant and instances where the general ledger entry for several individuals' salaries did not reconcile to the amount listed in the corresponding paystub. We make an appropriate recommendation in the *Personnel Costs* section of this report.

JAMLAC officials stated that they worked with partner agencies that provided victim services along with the JAMLAC. JAMLAC officials stated that there is no formal assessment of partner agencies but that most issues are discussed at executive director meetings and provided meeting minutes as examples of issues discussed. In addition, our audit did not disclose any discrepancies involving partner agency costs during our transaction testing. Therefore, we did not note any issues related to the monitoring of partner agencies paid using funds from Grant No. 2009-WL-AX-0007.

Drawdowns

To determine the procedures for drawing down funds, we conducted interviews with the MHM officials and determined that the drawdowns are based on reimbursements. According to the *OJP Financial Guide* and *2012 OVW Financial Grants Management Guide*, recipients should time their drawdown requests to ensure that federal cash on hand is the minimum needed for disbursements or reimbursements to be made immediately or within the next 10 days. We analyzed Grant No. 2009-WL-AX-0007 to determine if the total actual costs recorded in the accounting records were equal to, or in excess of, the cumulative drawdowns as recorded by the OVW. Based on our review, we found that cumulative grant expenditures exceeded cumulative grant drawdowns. Therefore, we make no recommendations in this area.

Expenditures

According to the *2012 OVW Financial Grants Management Guide*, all recipients are required to establish and maintain accounting systems and financial records to accurately account for funds awarded to them. We initially selected a sample of 45 transactions, totaling \$84,920, consisting of 22 personnel transactions and 23 other direct cost transactions, to determine whether grant expenditures were allowable, reasonable, and in compliance with the terms and conditions of the awards.

Personnel Costs

According to the original OVW-approved budget, two full-time positions (1.0 Full-Time Equivalent (FTE)) were funded by the grant, a Family Law Attorney and an Immigration Attorney. The grant also funded a Paralegal position on a part-time basis (0.6 FTE). With the award of the first supplement to the grant, the three positions previously mentioned were funded by the grant on a full-time basis (1.0 FTE). Additionally, a second Family Law Attorney and a Legal Advocate were funded by the grant on a part-time basis (0.5 FTE).

As discussed in the following sections, we identified discrepancies with grant payroll involving timekeeping and paystubs. Due to the discrepancies noted in our initial testing, we determined that it was appropriate to expand testing of payroll expenditures. We expanded our testing to include all JAMLAC employees paid using grant funds for 10 pay periods, 2 pay periods for each calendar year since the award of the grant. We also requested that MHM officials provide a list of employees paid by Grant No. 2009-WL-AX-0007 that included: (1) FTE amounts for each employee (part-time vs. full-time work for the JAMLAC), (2) the percentage of time/salary that each employee spent on the grant, and (3) the applicable time periods for items one and two to note any changes made by MHM, like moving a part-time position to a full-time position.

During our initial transaction testing of 22 personnel transactions we noted the following discrepancies:

- For 10 transactions related to part-time grant-funded positions timesheets were not maintained to support the time charged to the grant or the time charged to other cost activities.
- For two transactions the amount allocated to the grant on the employee's paystub did not reconcile to the grant accounting records and timesheets were not maintained to support the time charged to the grant or the time charged to other cost activities.

As stated previously, the *Mile High Ministries Employee Handbook* requires that all employees must prepare a Weekly Work Hours Report to record hours worked and time off. In addition, the *OJP Financial Guide* and the *2012 OVW Financial Grants Management Guide*, state that 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 signed by the employee and by a supervisory official having first-hand knowledge of the work performed. However, timesheets were not maintained for any of the grant-funded positions. Therefore, we recommend that MHM maintain timesheets and/or activity reports, as appropriate, for grant-funded employees.

For the initial grant award period from October 2009 to September 2011, the Paralegal was only budgeted for 0.6 FTE. During our review, we noted that 64 percent of the Paralegal's salary was charged to the grant; however, as previously mentioned, MHM did not maintain timesheets for JAMLAC employees to support the time charge to multiple cost activities. As a result, we found that grant-funded personnel costs for the Paralegal from the start of the grant through September 2011, totaling \$54,670, were unsupported.

We noted several instances where the Immigration Attorney was paid for less than the budgeted 1.0 FTE and the remainder was paid and worked by other JAMLAC employees. Specifically, during our review of sample transactions, we identified three instances where only a portion of the Immigration Attorney salary was charged to the grant and a portion of the JAMLAC Executive Director's salary was charged to the grant for the Immigration Attorney position. Our sample review also identified three similar instances involving other JAMLAC employees' salaries charged to the grant for the Immigration Attorney position.

During our review of the accounting records, we also noted that personnel costs were entered in the grant accounting records on a lump-sum basis for positions that had multiple grant-funded FTEs. For example, if multiple employees were paid for the same position, there would be one general ledger entry for their salaries instead of having multiple entries for each individual paid using grant funds. Due to the nature of these general ledger entries, we were not able to identify the personnel costs charged to the grant for Immigration Attorney's salary as opposed to the personnel costs for other staff that were charged to the grant for the Immigration Attorney position. In addition, MHM did not maintain timesheets for JAMLAC employees that would have allowed us to determine the time charged to the grant by the Immigration Attorney or other staff charged to the grant for the Immigration Attorney position. In summary, we found that MHM could not support the Immigration Attorney personnel costs charged to the grant because of: (1) the nature of payroll entries made in the grant accounting records, (2) the lack of timesheets for grant-funded positions, and (3) the fact that the salaries of other staff were charged to the grant for the Immigration Attorney position. As a result, we determined that grant-funded personnel costs for the Immigration Attorney from the start of the grant to December 15, 2011, totaling \$95,677, were unsupported.

According to the approved grant budget, the Legal Advocate was budgeted for 0.5 FTE. However, as previously mentioned, MHM did not maintain timesheets

for JAMLAC employees to support the time charge to multiple cost activities. As a result, we found that grant-funded personnel costs for the Legal Advocate from the start of the grant through September 2011, totaling \$31,924, were unsupported.

According to the approved grant budget, for the initial period (October 2009 to September 2011) one Family Law Attorney was funded for 1.0 FTE. For the supplement period (October 2011 - September 2013), two Family Law Attorneys were funded, one for 1.0 FTE and the other for 0.5 FTE. During our review we noted that the Family Law Attorney funded for 1.0 FTE, the JAMLAC Associate Director, had another job, which was not for the MHM. According to the Operations Director, the Associate Director worked 20-30 hours per week. However, the JAMLAC Executive Director explained that the Associate Director does not necessarily work 20-30 hours each week. He further explained that the Associate Director has been a pilot since prior to working at the JAMLAC and that he was a pilot trainer. Due to his outside job requirements, the Associate Director was required at times to be gone up to a week. According to the JAMLAC Executive Director some weeks the Associate Director only worked 20 hours, while other weeks he worked 60 hours. Based on the statements made by MHM officials, the Associate Director was not working consistent hours. However, we could not confirm the hours that the Associate Director worked as a Family Law Attorney since MHM did not maintain timesheets for JAMLAC employees.

After speaking with MHM officials about this matter, they provided a form signed by the Associate Director and the JAMLAC Executive Director indicating that his work at MHM was solely on the OVW Legal Assistance for Victims grant program for the period October 1, 2012 to March 31, 2013. However, due to the infrequent nature of the Associate Director's working schedule, we could not accept this certification as supporting documentation for the personnel costs charged to the grant related to this position.

In addition, during our review, we noted instances where the Associate Director's salary was not charged to the grant, indicating that his work at MHM was not solely for grant related activities. We also identified one transaction in our sample where \$478 of the JAMLAC Executive Director's salary was charged to the grant for the Family Law Attorney position even though the Associate Director's salary was charged to the grant for the same pay period. In addition, due to the nature of the general ledger entries, we could not verify when the Associate Director's personnel costs were charged to the grant or when another JAMLAC employee's salary was charged to the grant for the Family Law Attorney position because the general ledger entries did not list expenditures for each individual JAMLAC employee. Although we received a form stating that the Associate Director worked solely on the OVW Legal Assistance of Victims grant program, due to (1) the inconsistent hours worked by the Associate Director; (2) inconsistencies between paystubs and general ledger entries; (3) the fact that the salaries of other staff were charged to the grant for the Family Law Attorney position and (4) the nature of general ledger entries we consider the salary payments made to the Associate Director to be unsupported.

We also found that for the second Family Law Attorney, who from January 2013 onward was a full-time employee, only a portion of her salary was charged to the grant indicating that her work at MHM was not solely for grant related activities. However, the MHM did not maintain timesheets for JAMLAC employees to support the second Family Law Attorney's time charged to multiple cost activities. Therefore, we determined that personnel costs charged to the grant for both Family Law Attorneys, totaling \$180,525 were unsupported.

In summary, we determined that personnel costs charged to the grant for the Paralegal, Legal Advocate, Immigration Attorney, and both Family Law Attorney positions, totaling \$362,796, were unsupported. Therefore, we recommend that the OVW remedy the \$362,796 in unsupported personnel costs. Also, during our review, we noted several instances where JAMLAC employees that were not included in the approved budget were being paid using grant funds. We determined that because these JAMLAC employees were not included in the OVW-approved budget, these payments, totaling \$4,724, are unallowable. Therefore, we recommend that OVW remedy the \$4,724 in unallowable personnel costs.

Other Direct Costs

During our review of other direct costs, we identified four transactions totaling \$3,513 that were not supported. Therefore, we recommend that OVW remedy the \$3,513 in unsupported other direct costs. Additionally, during our review of other direct costs, we found that the supporting documentation did not indicate that expenditures were properly authorized by a grantee official with appropriate authority. Therefore, we recommend the OVW ensure the MHM develop policies and procedures to ensure that expenses are supported and properly authorized.

Budget Management and Control

For Grant No. 2009-WL-AX-0007, the MHM received an approved budget broken down by categories including Personnel, Fringe Benefits, Travel, Equipment, Supplies, Contractual, and Other. The *OJP Financial Guide* and the *2012 OVW Financial Grants Management Guide* require that the recipient initiate a Grant Adjustment Notice for budget modification if the proposed cumulative change is greater than 10 percent of the total award amount. For Grant No. 2009-WL-AX-0007, we conducted detailed analysis of expenditures by budget category and found that the MHM expenditures were within the 10 percent threshold allowed. Therefore, we make no recommendations in this area.

Reporting

We reviewed the Federal Financial Reports (FFRs) and Categorical Assistance Progress Reports (progress reports) to determine if the required reports had been submitted accurately, and within the timeframes required by the *OJP Financial Guide* and the *2012 OVW Financial Grants Management Guide*.

Financial Reports

The *OJP Financial Guide* and the *2012 OVW Financial Grants Management Guide* require that grant recipients report expenditures online using the SF-425 FFR no later than 30 days after the end of each calendar quarter. The final report must be submitted no later than 90 days following the end of the grant period. We evaluated the timeliness of the four most recent FFRs for Grant No. 2009-WL-AX-0007 and determined that they were submitted in a timely manner.

We also evaluated the accuracy of FFRs for the last four quarters for Grant No. 2009-WL-AX-0007. We found that for two of the four FFRs reviewed, the expenditures for the reporting periods were not supported by the general ledger. However, we determined that the cumulative expenditures for three of the four most recent FFRs were supported by the general ledgers, as shown in Exhibit 1. Therefore, we make no recommendations in this area.

EXHIBIT 1: FEDERAL FINANCIAL REPORT ACCURACY FOR GRANT 2009-WL-AX-0007⁴

REPORT NUMBER	REPORT PERIOD FROM - TO DATES	CUMULATIVE EXPENDITURES PER FFR	CUMULATIVE EXPENDITURES PER ACCOUNTING RECORDS	CUMULATIVE DIFFERENCE BETWEEN FFRs & ACCOUNTING RECORDS
11	04/01/2012 - 06/30/2012	\$ 586,711	\$ 603,901	\$ 17,190
12	07/01/2012 - 09/30/2012	677,775	677,775	-
13	10/01/2012 - 12/31/2012	754,820	754,820	-
14	01/01/2013 - 03/31/2013	837,534	837,534	-

Source: MHM accounting records and OJP's Grants Management System

Progress Reports

According to the *OJP Financial Guide* and the *2012 OVW Financial Grants Management Guide*, progress reports are due semiannually on January 30 and July 30 for the life of the award. To verify the timely submission of progress reports, we reviewed the last four progress reports submitted for Grant No. 2009-WL-AX-0007 and determined that they were submitted in a timely manner.

⁴ Throughout this report, differences in the total amounts are due to rounding. The sum of individual numbers prior to rounding may differ from the sum of the individual numbers rounded.

We also reviewed the progress reports for accuracy. MHM officials stated that they were given a database software program which was used by a volunteer for the JAMLAC to input performance data. The JAMLAC volunteer stated that the data she input into the system came from client intake forms (which every client fills out upon coming to the JAMLAC). However, the MHM does not maintain documentation supporting the data reported for the training activities performed by JAMLAC and its partner agencies. According to MHM officials, during their weekly staff meeting, they will ask each staff member about the trainings that they have provided and the number of people trained.

To verify the information reported, we selected a sample of statistical data from the last two progress reports for the periods ending June 30, 2012, and December 31, 2012. We compared the information in the progress reports reported to reports generated from the database mentioned previously for the reporting periods. We also selected a judgmental sample of 45 case files to verify the accuracy of the information in the database and found no indication that the database contained inaccurate information.

Based on our review of the last 2 progress reports, we found that 40 of the 46 progress report items were supported. Two of the remaining six items were not accurate but the differences between the reported information and the supporting documentation were immaterial. The remaining four items were related to training activities and volunteer services provided by JAMLAC personnel for which MHM does not maintain supporting documentation. Therefore, we recommend that MHM develop policies and procedures to ensure that documentation is maintained to support the progress report data related to training activities and volunteer services provided by JAMLAC personnel.

Award Requirements

We reviewed the MHM's compliance with additional grant requirements, such as the special conditions and found that the grant contained typical standard language requirements for adherence to laws, regulations and other guidelines. We also noted additional requirements regarding the activities performed under the grant. However, except for the previously discussed issues related to grant accounting records, personnel costs, and progress reports, we did not note any instances where the MHM did not comply with the grant's special conditions.

Program Performance and Accomplishments

In order to assess program performance and accomplishments, we requested that the MHM provide evidence demonstrating that the goals and objectives of the awards had been met, or are sufficiently in progress. According to grant documents, the goal of the grant was to increase safety and empower immigrant and non-immigrant victims of domestic violence, sexual assault, stalking, and dating violence. In the original award and in a supplement to the award, MHM officials planned to measure grant progress with the following objectives:

2009-WL-AX-0007 (Original Award)
<ul style="list-style-type: none"> Develop standardized processes, intake forms, follow-up surveys, and volunteer training curriculum.
<ul style="list-style-type: none"> 800 clients will receive advocacy and support services.
<ul style="list-style-type: none"> 180 individuals will receive domestic relations representation.
<ul style="list-style-type: none"> 150 individuals will receive immigration representation.
<ul style="list-style-type: none"> 500 hours of volunteer time will be provided.
<ul style="list-style-type: none"> 100 staff members and volunteers from the JET Partnership organizations receive training regarding recognizing and improving response to domestic violence, sexual assault, stalking, and dating violence
2009-WL-AX-0007 (Supplement 01)
<ul style="list-style-type: none"> Update standardized processes, procedure and policy manual, intake forms, follow-up surveys, and volunteer training curriculum, incorporating the Mobile Community Clinic.
<ul style="list-style-type: none"> Establish the Mobile Community Clinic and add another location at an easily accessible location, such as a social services office, a community medical clinic, or a shelter.
<ul style="list-style-type: none"> 1000 clients will receive advocacy, support, and referral services.
<ul style="list-style-type: none"> 240 individuals will receive comprehensive civil attorney representation in court.
<ul style="list-style-type: none"> 170 individuals will receive immigration representation.
<ul style="list-style-type: none"> 1200 hour of volunteer time.
<ul style="list-style-type: none"> 100 staff members, volunteers, and community professionals will receive training regarding recognizing and improving response to sexual assault, domestic violence, dating violence, and stalking.

Source: OJP's Grants Management System

Using the database mentioned in the *Progress Reports* section of this report, MHM officials provided us with a report showing program activity from October 1, 2009, to May 24, 2013. From the program activity report, we determined that:

- 1,216 Victims were served or partially served,
- 172 victims seeking services were not served,
- 794 victims were served in relation to family law matters,:
 - 493 victims were provided with divorce legal services,
 - 627 victims were provided with custody/visitation legal services, and
 - 523 victims were provided with child/spousal support legal services,
- 544 victims received legal services regarding immigration matters,
 - 131 victims were provided with legal services relating to a VAWA self-petition, and
 - 378 victims were provided with legal services relating to a U-Visa.
- We also noted the following statistics for victims services provided by non-legal staff:
 - 207 victims received safety planning services,
 - 2 victims were provided support services, and
 - 390 victims were provided non-attorney legal advocacy services.

Based on our review, we did not find any indication that the MHM is not on track to accomplish the goal and objectives of grant No. 2009-WL-AX-0007.

Conclusion

The purpose of this audit was to determine whether reimbursements claimed for costs under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, terms and conditions of the awards, and to determine program performance and accomplishments. We examined the MHM's accounting records, financial and progress reports, and operating policies and procedures, and found:

- although grant expenditures are included in the MHM's official accounting records, a separate set of accounting records is maintained for the grant. However, we found discrepancies between the two sets of accounting records and there were no procedures to reconcile the MHM accounting records with the grant accounting records;
- JAMLAC employees did not maintain timesheets;
- \$367,520 in questioned payroll costs, including \$362,796 in unsupported personnel expenditures and \$4,724 in unallowable personnel expenditures;
- \$3,513 in unsupported direct costs;
- expenditures were not properly authorized; and
- MHM did not maintain documentation supporting the data reported for training activities and volunteer services provided by grant-funded personnel.

Recommendations

We recommend that the OVW coordinate with the MHM to:

1. Implement procedures to ensure that grant accounting records reconcile to MHM accounting records.
2. Maintain timesheets and/or activity reports, as appropriate, for grant-funded employees.
3. Remedy the \$362,796 in unsupported personnel costs.
4. Remedy the \$4,724 in unallowable personnel costs.
5. Remedy the \$3,513 in unsupported other direct costs.
6. Develop policies and procedures to ensure that expenses are supported and properly authorized.

7. Develop policies and procedures to ensure that documentation is maintained to support progress report data related to training activities and volunteer services provided by JAMLAC personnel.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of the audit was to assess performance in the key areas of grant management that are applicable and appropriate for the grant under review. These areas included: (1) internal control environment, (2) drawdowns, (3) grant expenditures, (4) monitoring of subgrantees and contractors, (5) budget management and control, (6) financial status and progress reports, (7) program performance and accomplishments, and (8) special grant requirements. We determined that property management, program income, and post grant end-date activities were not applicable to this award.

We tested compliance with what we consider to be the most important conditions of the grants and cooperative agreement. Unless otherwise stated in this report, the criteria we audit against are contained in the *OJP Financial Guide*, the *2012 OVW Financial Grants Management Guide*, and the award documentation.⁵

Our audit concentrated on, but was not limited to, August 20, 2009, the award date for Grant No. 2009-WL-AX-0007, to April 26, 2013, the date the most recent FFR was submitted. This was an audit of OVW Grant No. 2009-WL-AX-0007. The MHM has drawn a total of \$852,155 in grant funds as of April 30, 2013.

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.

In conducting our audit, we performed sample testing in three areas, which were grant expenditures (including personnel expenditures), financial reports, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the awards reviewed, such as dollar amounts, expenditure category, or risk. However, this non-statistical sample design does not allow a projection of the test results for all grant and cooperative agreement expenditures or internal controls and procedures.

In addition, we evaluated internal control procedures, drawdowns, monitoring of subgrantees and contractors, budget management and controls, and program performance and accomplishments. 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 objective.

⁵ In February 2012, the OVW issued the *2012 OVW Financial Grants Management Guide*, which is applicable to the grant audited in this report. The *2011 OJP Financial Guide* and the *OJP Financial Guide, October 2009* are also applicable to the grant audited in this report.

APPENDIX II

SCHEDULE OF DOLLAR-RELATED FINDINGS

DESCRIPTION	AMOUNT	PAGE
Questioned Costs ⁶		
Unallowable Personnel:	\$4,724	10
<i>Total Unallowable:</i>	<i>\$4,724</i>	
Unsupported Other Direct Costs:	\$3,513	10
Unsupported Personnel:	\$362,796	10
<i>Total Unsupported:</i>	<i>\$366,309</i>	
<i>Total (Gross):</i>	<i>\$371,033</i>	
Less Duplication ⁷ :	(\$4,724)	
Net Questioned Costs:	\$366,309	

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 Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount.

MILE HIGH MINISTRIES' RESPONSE TO THE DRAFT AUDIT REPORT



**JUSTICE AND MERCY
LEGAL AID CLINIC**
A PROGRAM OF MILE HIGH MINISTRIES

DO JUSTICE, LOVE MERCY, WALK HUMBLY

January 28, 2014

David M. Sheeren
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
1120 Lincoln Street, Suite 1500
Denver, CO 80203

Re: Response to Draft Audit Report: Audit of Grant No. 2009-WL-AX-0007

Dear Mr. Sheeren:

This letter is the formal response to the recommendations included in the Draft Audit Report: Audit of the Office on Violence Against Women Legal Assistance For Victims Grant Awarded to Mile High Ministries (MHM), Grant No. 2009-WL-AX-0007. Each recommendation will be stated and followed by a response.

1. Implement procedures to ensure that grant accounting records reconcile to MHM accounting records.
 - a. We agree with the recommendation that grant accounting records must be reconciled. In response to the audit, MHM implemented its new accounting procedures on July 1, 2013. The new procedures require that Grant and MHM accounting records be reconciled on a monthly basis. Accordingly, this issue has been corrected.
2. Maintain timesheets and/or activity reports, as appropriate, for grant-funded employees.
 - a. We agree with the recommendation to maintain timesheets. In response to the audit, MHM implemented new procedures on July 1, 2013, where all MHM employees, including those employees who work solely on the OVW grant, must maintain timesheets. (Encl. 1) Additionally, the timesheets will be retained for at least 3 years. We would like to offer however, that when we went to the Financial Management Training, there was no mention of a requirement to maintain timesheets. Also, in the 2009 Financial Guide there is no mention of a requirement to keep timesheets unless an employee is working for "Two or More

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b. Federal Grant Programs.”¹ In fact, the guide states that “[c]harges made to Federal awards for personal services (including, but not limited to salaries, wages, and fringe benefits), whether treated as direct or indirect costs, will be based on payrolls documented in accordance with the generally accepted practice of the organization.”² When we were awarded the grant in 2009, timesheets were not required at MHM. Thus, charges were treated based on the MHM payroll system. Accordingly, this issue has been corrected.

3. Remedy the \$362,796 in unsupported personnel costs.

a. We disagree with the recommendation that \$362,796 is unsupported. We agree that there are no timesheets for the observed periods; however, the personnel costs are supported by the services provided. As stated in the Draft Audit Report, “we did not find any indication that the MHM is not on track to accomplish the goal and objectives of grant No. 2009-WL-AX-0007.”³ Additionally the Draft Audit Report noted that “we did not note any instances where the MHM did not comply with the grant’s special conditions.”⁴ Furthermore, the *OJP Financial Guide* and the *2012 OVW Financial Grants Management Guide* state that “[W]hen recipient employees work solely on a specific grant award, no other documentation is required. However, after-the-fact certifications that the employee is working 100 percent of their time on the grant award must be prepared.”⁵ In this case, the Immigration Attorney and a Family Law Attorney only perform OVW grant-related activities and provided the auditor with forms certifying that they worked solely on the OVW Legal Assistance of Victims grant program. (Encl. 2) The other issues related to the unsupported costs are attributed to inconsistent accounting processes. MHM recognized these deficiencies when the new Operations Director began working at MHM in 2012. These issues were corrected with the beginning of MHM’s fiscal year on July 1, 2012, when new accounting processes were implemented. Finally, as indicated above, when we went to the Financial Management Training there was no mention of a requirement to maintain timesheets.

4. Remedy the \$4,724 in unallowable personnel costs.

a. We disagree that \$4,724 were unallowable personnel costs. We agree that there were no timesheets for the observed periods; however, in each instance, the JAMLAC employee performed the duties associated with the transaction

¹ 2009 Financial Guide, Department of Justice, p. 72.

² 2009 Financial Guide, Department of Justice, p. 72.

³ Draft Audit Report, p. 14.

⁴ Draft Audit Report, p. 12.

⁵ 2012 OVW Financial Grants Management Guide, p. 56.

description. Because our legal clinic is small we had a policy that employees could fill-in for employees if the situation warranted it. This policy was changed when the new Operations Director began working at MHM in 2012. Accordingly, this issue has been corrected.

5. Remedy the \$3,513 in unsupported other direct costs.
 - a. We partially agree with the \$3,513 of unsupported costs. We disagree that the ODM – Rent is unsupported. An invoice provided by Open Door Ministries to MHM is included in Encl. 3. In regards to the remaining unsupported other direct costs, we could not acquire the receipts for the other transactions. However, we attached notes and scanned nametags from the training event. (Encl. 4) Thus, we agree with the remaining \$2,413 unsupported other direct costs. However, all funds were applied to grant-related charges.
6. Develop policies and procedures to ensure that expenses are supported and properly authorized.
 - a. We agree with the recommendation to develop policies and procedures to ensure that expenses are supported and properly authorized. In response to the audit, all expenses are submitted to the Executive Director for signed approval. Then, the Executive Director sends the approved invoice to MHM accounting for processing. Thus, this issue has been corrected.
7. Develop policies and procedures to ensure that documentation is maintained to support progress report data related to training activities and volunteer services provided by JAMLAC personnel.
 - a. We agree with the recommendation to develop policies and procedures to document training activities and volunteer services provided by JAMLAC personnel. In response to the audit, MHM implemented new procedures on July 1, 2013, where all training activities and volunteer services will be documented and retained for 3 years. The new forms are attached as Encl. 5 and Encl. 6 and include signed forms from trainings and volunteers services that have occurred since July 1, 2013. Accordingly, this issue has been corrected.

Thank you for the opportunity to respond to the Draft Audit Report. We believe that this process has helped tighten up our policies and procedures. We look forward to working together with OVW to satisfy all recommendations and continue our deep commitment to providing victims of domestic violence, sexual assault, stalking, and dating violence first-class legal representation. If I can provide any additional information or if you have any

other questions, please feel free to call me at 303-229-8252 or email at sthompson@milehighmin.org.

Sincerely,



Steve Thompson
Executive Director
Justice and Mercy Legal Aid Clinic

Enclosures (6)

OVW'S RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice
Office on Violence Against Women
Washington, D.C. 20530

February 12, 2014

MEMORANDUM

TO: David M. Sheeren
Regional Audit Manager
Denver Regional Audit Office

FROM: Bea Hanson *BH*
Director
Office on Violence Against Women

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

SUBJECT: Office on Violence Against Women Legal Assistance for Victims Grant
Awarded to the Mile High Ministries Denver, Colorado

This memorandum is in response to your correspondence dated January 8, 2014 transmitting the above draft audit report for the Mile High Ministries (MHM). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains **seven** recommendations which include \$366,309 in unsupported costs and \$4,724 in unallowable 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 procedures to ensure that grant accounting records reconcile to MHM accounting records.

We agree with this recommendation. We will coordinate with MHM to ensure that they implement procedures to ensure that grant accounting records reconcile to MHM accounting records.

2. Maintain timesheets and/or activity reports, as appropriate, for grant funded employees.

We agree with this recommendation. We will coordinate with MHM to ensure that they maintain timesheets and/or activity reports, as appropriate, for grant funded employees.

3. Remedy the \$362,796 in unsupported personnel costs.

We agree with this recommendation. We will coordinate with MHM to remedy the \$362,796 in unsupported personnel costs.

4. Remedy the \$4,724 in unallowable personnel costs.

We agree with this recommendation. We will coordinate with MHM to remedy the \$4,724 in unallowable personnel costs.

5. Remedy the \$3,513 in unsupported other direct costs

We agree with this recommendation. We will coordinate with MHM to remedy the \$3,513 in unsupported other direct costs.

6. Develop policies and procedures to ensure that expenses are supported and properly authorized.

We agree with this recommendation. We will coordinate with MHM to ensure that they develop policies and procedures to ensure that expenses are supported and properly authorized.

7. Develop policies and procedures to ensure that documentation is maintained to support progress report data related to training activities and volunteer services provided by JAMLAC personnel.

We agree with this recommendation. We will coordinate with MHM to ensure that they develop policies and procedures to ensure that documentation is maintained to support progress report data related to training activities and volunteer services provided by JAMLAC personnel.

We appreciate the opportunity to review and comment on the draft report. We will continue to work with MHM 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: Angela Wood
Budget Officer
Office on Violence Against Women

Shannon Gaskins
Program Specialist
Office on Violence Against Women

**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 to the Mile High Ministries (MHM). The OVW response is incorporated in Appendix IV and the MHM response is incorporated in Appendix III of this final report. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendation Number:

1. Implement procedures to ensure that grant accounting records reconcile to MHM accounting records.

Resolved. OVW concurred with our recommendation to implement procedures to ensure that grant accounting records reconcile to MHM accounting records. OVW stated in its response that they will coordinate with MHM to ensure that they implement procedures to ensure that grant accounting records reconcile to MHM accounting records.

In its response on page 18 of this report, the MHM concurred with our recommendation. MHM stated in its response that they implemented new accounting procedures on July 1, 2013, and that these new procedures require the grant and MHM accounting records be reconciled on a monthly basis. However, MHM officials did not provide any documentation supporting its new policy.

This recommendation can be closed when we receive documentation demonstrating that the MHM has implemented procedures to ensure that grant accounting records reconcile to MHM accounting records.

2. Maintain timesheets and/or activity report, as appropriate, for grant-funded employees.

Resolved. OVW concurred with our recommendation for the MHM to maintain timesheets and/or activity reports, as appropriate, for grant-funded employees. OVW stated in its response that they will coordinate with MHM to ensure that they maintain timesheets and/or activity reports, as appropriate, for grant-funded employees.

On pages 18 and 19, the MHM concurred with our recommendation. MHM stated that they had implemented new procedures where all MHM

employees, including those employees who work solely on the OVW grant, must maintain timesheets. MHM commented that there was no mention of a requirement to maintain timesheets during a Financial Management Training they attended and that the 2009 Financial Guide has no mention of a requirement to keep timesheets unless an employee is paid using multiple sources.

As stated on pages 5 and 6, we noted discrepancies between the grant accounting records maintained by JAMLAC and the MHM accounting records and that timesheets were not maintained for JAMLAC employees paid using grant funds, including employees that were only partially grant-funded. We also noted that due to: (1) the inconsistent hours worked by the Associate Director; (2) inconsistencies between paystubs and general ledger entries; (3) the fact that the salaries of other staff were charged to the grant for the grant-funded positions, and (4) the nature of general ledger entries we could not rely on supporting documentation or grant accounting records to ensure that the personnel costs charged to the grant were accurate, allowable, and supported. In response to the draft report, MHM officials also provided timesheets for the Immigration Attorney and the Associate Director. However, MHM officials did not provide timesheets for employees who were funded by multiple sources and the timesheets provided did not indicate the amount of time charged to Grant No. 2009-WL-AX-0007. Therefore, we determined that the documentation that MHM officials provided with their response to the Draft Audit Report was not sufficient to support the personnel costs charged to the grant.

This recommendation can be closed when we receive documentation demonstrating that the MHM maintains timesheets and/or activity reports, as appropriate, for grant-funded employees.

3. Remedy the \$362,796 in unsupported personnel costs.

Resolved. OVW concurred with our recommendation to remedy the \$362,796 in unsupported personnel costs. OVW stated in its response that they will coordinate with MHM to remedy the \$362,796 in unsupported personnel costs.

On page 19, the MHM disagreed with our recommendation, stating that while they agree that there are no timesheets for the observed periods, the personnel costs are supported by the services provided. MHM officials also referenced statements in our report that we did not find any indication that the MHM was not on track to accomplish the goal and objectives of the grant or that it did not comply with the grant's special conditions. MHM officials also stated that the *OJP Financial Guide* and the *2012 OVW Financial Grants Management Guide* state that timesheets are not required for an employee who is paid using one funding source, but after-the-fact certifications that the employee is working 100 percent of their time on the grant award must be prepared.

We disagree with the MHM's analysis regarding proper documentation for personnel costs. Our report does state that we did not find any indication that the MHM was not on track to accomplish the goal and objectives of the grant. However, this statement does not support MHM's argument that personnel costs charged to the grant were supported. Also, MHM's response did not accurately quote our findings related to special conditions of the grant. Our draft report stated, "*unless otherwise noted in this report, we did not note any instances where the MHM did not comply with the grant's special conditions.*" However, we have clarified our report, which includes findings related to MHM's failure to comply with grant special conditions, including requirements regarding timesheets for employees paid from multiple funding sources.

Also, as explained on pages 8 and 9, we acknowledged the forms certifying the work of the Immigration Attorney, but we also noted that MHM could not support the Immigration Attorney personnel costs charged to the grant prior to the Immigration Attorney working full time because of: (1) the nature of payroll entries made in the grant accounting records, (2) the lack of timesheets for grant-funded positions, and (3) the fact that the salaries of other staff were charged to the grant for the Immigration Attorney position. The Associate Director did provide a certification, but due to the inconsistent hours worked by the Associate Director and the reasons previously mentioned, we consider the salary payments made to the Associate Director to be unsupported.

It should also be noted that the questioned costs for the Immigration Attorney, Paralegal, second Family Law Attorney, and Legal Advocate were also due to documentation indicating that: (1) they were funded by more than one funding source, (2) the lack of timesheets for these positions, and (3) the fact that the salaries of other staff, not included in the approved budget, were charged to the grant and the nature of payroll entries into the grant accounting records did not show this information. MHM officials did not provide any new documentation regarding these matters.

This recommendation can be closed when we receive documentation demonstrating that MHM has remedied the \$362,796 in unsupported personnel costs.

4. Remedy the \$4,724 in unallowable personnel costs.

Resolved. OVW concurred with our recommendation to remedy the \$4,724 in unallowable personnel costs. OVW stated in its response that they will coordinate with MHM to remedy the \$4,724 in unallowable personnel costs.

On pages 19 and 20, the MHM disagreed with our recommendation, stating that "[they] agree that there were no timesheets for the observed periods; however, in each instance the JAMLAC employee performed the duties

associated with the transaction description. Because [their] legal clinic is small [they] had a policy that employees could fill-in for employees if the situation warranted it. This policy was changed when the new Operations Director began working at MHM in 2012."

As stated on page 10, we noted several instances where JAMLAC employees that were not included in the approved budget were being paid using grant funds. We determined that these personnel costs were unallowable because these JAMLAC employees were not included in the OVW-approved budget. The duties performed by these individuals do not relate to these personnel costs being allowable.

MHM officials did not provide any new documentation relating to this recommendation. This recommendation can be closed when we receive documentation demonstrating that MHM has remedied the \$4,724 in unallowable personnel costs.

5. Remedy the \$3,513 in unsupported other direct costs.

Resolved. OVW concurred with our recommendation to remedy the \$3,513 in unsupported other direct costs. OVW stated in its response that they will coordinate with MHM to remedy the \$3,513 in unsupported other direct costs.

On page 20, the MHM provided supporting documentation for one transaction and stated that they could not acquire receipts for the other transactions. Based on the supporting documentation provided by MHM officials, this recommendation was reduced by \$1,100.

This recommendation can be closed when we receive documentation demonstrating that the MHM has remedied the remaining \$2,413 in unsupported other direct costs.

6. Develop policies and procedures to ensure that expenses are supported and properly authorized.

Resolved. OVW concurred with our recommendation to develop policies and procedures to ensure that expenses are supported and properly authorized. OVW stated in its response that they will coordinate with MHM to ensure that they develop policies and procedures to ensure that expenses are supported and properly authorized.

On page 20, the MHM concurred with our recommendation. MHM stated in its response that now, "all expenses are submitted to the Executive Director for signed approval. Then, the Executive Director sends the approved invoice to MHM accounting for processing." However, we did not receive any documentation supporting this new policy.

This recommendation can be closed when we receive documentation demonstrating that the MHM has implemented policies procedures to ensure that expenses are supported and properly authorized.

7. Develop policies and procedures to ensure that documentation is maintained to support progress report data related to training activities and volunteer services provided by JAMLAC personnel.

Resolved. OVW concurred with our recommendation to develop policies and procedures to ensure that documentation is maintained to support progress report data related to training activities and volunteer services provided by JAMLAC personnel. OVW stated in its response that they will coordinate with MHM to ensure that they develop policies and procedures to ensure that documentation is maintained to support progress report data related to training activities and volunteer services provided by JAMLAC personnel.

On page 20, MHM officials concurred with our recommendation. MHM stated in its response that MHM implemented new procedures on July 1, 2013, where all training activities and volunteer services will be documented and retained for 3 years. MHM officials provided documentation showing documentation of training events and volunteer services that have occurred since July 1, 2013. However, we did not receive any documentation supporting this new policy.

This recommendation can be closed when we receive documentation demonstrating that the MHM has implemented procedures to ensure that documentation is maintained to support progress report data related to training activities and volunteer services provided by JAMLAC personnel.