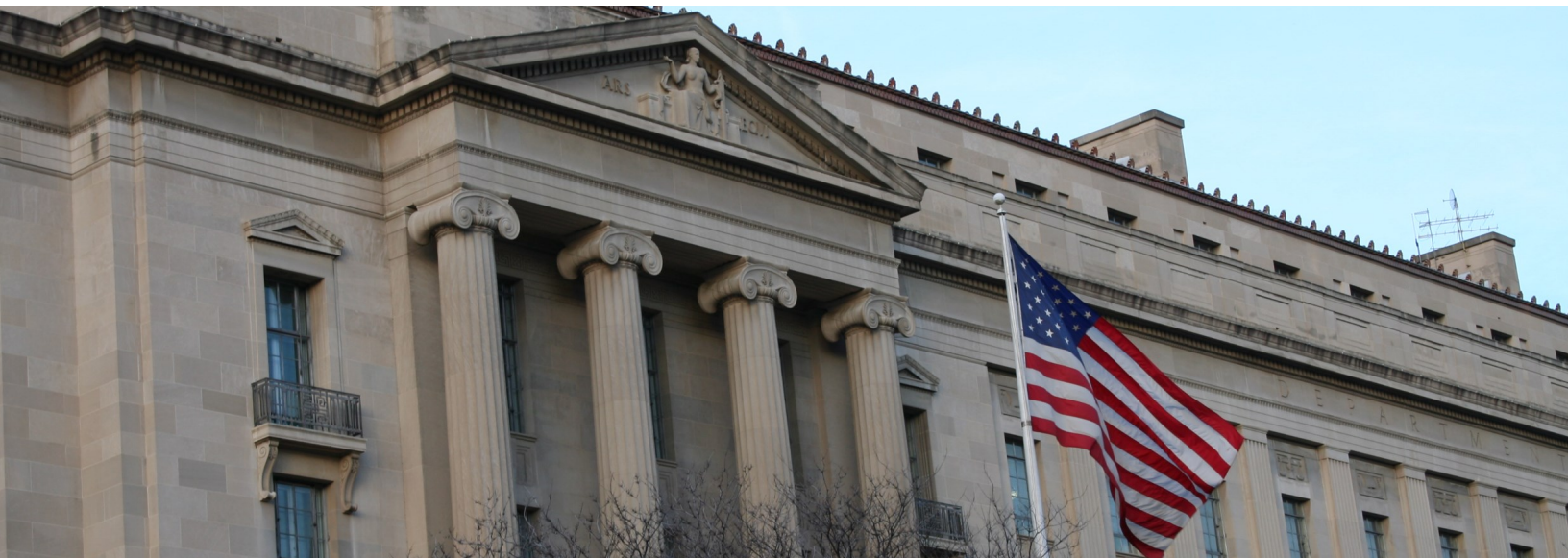




# **Office of the Inspector General**

## **U.S. Department of Justice**

**OVERSIGHT ★ INTEGRITY ★ GUIDANCE**



# **Audit of the Office on Violence Against Women Grants Awarded to Women Against Abuse, Philadelphia, Pennsylvania**



# Executive Summary

*Audit of the Office on Violence Against Women Grants Awarded to Women Against Abuse, Philadelphia, Pennsylvania*

## Objectives

The Office on Violence Against Women (OVW) awarded Women Against Abuse (WAA) five grants, totaling \$2,449,028, for technical assistance and consolidated assistance programs. The objectives of this audit were to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine whether WAA demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports, and special conditions related to safety and background checks.

## Results in Brief

As a result of our audit, we concluded that WAA generally managed the grant funds we reviewed appropriately and accomplished adequate progress towards the goals and objectives of each grant program in the scope of our audit. However, we also found that WAA needed to make specific improvements to its controls and ensure adherence to established policies and procedures to fully comply with grant management requirements. More specifically, we identified issues in essential areas of grant administration we tested, including financial management, reporting, and grant expenditures. Based on the results of our testing, we did not identify any questioned costs.

## Recommendations

Our report contains three recommendations to assist WAA to improve its grant management and administration. We requested a response to our draft audit report from OVW and WAA, which can be found in Appendices 3 and 2, respectively. Our analysis of those responses are included in Appendix 4.

## Audit Results

The five grants we reviewed were funded through three different programs as follows: the (1) Transitional Housing Grant Assistance Program Grant awards, (2) Legal Assistance for Victims Grant Program, and (3) Consolidated and Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies. Between March 2012 and September 2017, WAA made 37 drawdowns totaling \$1,095,933, from the five grants we reviewed.

**Federal Financial Reports (FFRs)** - WAA completed a total of 42 FFRs for all 5 grants. We found that 30 of the 42 FFRs submitted were inaccurate (71-percent), and the remaining 12 were accurate (29-percent). We determined that for all five grants, only the final quarterly report of each year was accurate while the reports for the three other quarters were misstated due to a process that used estimated costs rather than actual costs. While the interim FFRs presented temporary differences, all annual totals were accurate at the end of the year when compared to the accounting system.

**Progress Reporting** - We tested three WAA Progress Reports submitted within the scope of our audit for accuracy and determined two of the three progress reports tested included some misstated performance data. This occurred because the reports did not accurately reflect supporting program documentation.

**Subrecipients** - Although the subrecipients were approved by OVW, and included in the budget narrative, we found that WAA did not document the basis for the amounts paid for contracted prices (fair market) for the subrecipients we tested.

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN  
GRANTS AWARDED TO WOMEN AGAINST ABUSE,  
PHILADELPHIA, PA**

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# **AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN GRANTS AWARDED TO WOMEN AGAINST ABUSE, PHILADELPHIA, PA**

## **INTRODUCTION**

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of five grants awarded by the Office on Violence Against Women (OVW) to Women Against Abuse (WAA) in Philadelphia, PA. WAA was awarded the 2012-WH-AX-0073, 2013-WL-AX-0006, 2015-CY-AX-0010, 2016-WL-AX-0036, and 2016-WH-AX-0039 grants totaling \$2,449,028 as shown in Table 1.

**Table 1**  
**Grants Awarded to Women Against Abuse**

<b>Award Number</b>	<b>Award Date</b>	<b>Project Period Start Date</b>	<b>Project Period End Date</b>	<b>Award Amount</b>
2012-WH-AX-0073	09/13/12	10/01/12	12/31/15	\$ 299,786
2013-WL-AX-0006	09/04/13	10/01/13	12/31/16	499,867
2015-CY-AX-0010	09/08/15	10/01/15	09/30/18	700,000
2016-WL-AX-0036	09/01/16	10/01/16	09/30/19	599,400
2016-WH-AX-0039	09/21/16	10/01/16	09/30/19	349,975
<b>Total:</b>				<b>\$ 2,449,028</b>

Source: Grants Management System

Three different programs, described below, provided funding for the five grants.

1. The Transitional Housing Grant Assistance Program is designed to support a holistic, victim centered approach to provide transitional housing and supportive services that move individuals into permanent housing. Grants 2012-WH-AX-0073 and 2016-WH-AX-0039 are associated with this program.
2. The Legal Assistance for Victims Grant Program is to provide comprehensive legal services through direct representation and advocacy for survivors which enhances victim safety and autonomy. Grants 2013-WL-AX-006 and 2016-WL-AX-0036 are associated with this program.
3. The Consolidated and Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies (Consolidated Youth Program) is to support both comprehensive projects to assist child, youth and young adults who are victims of and/or exposed to sexual assault, domestic violence, dating violence, or stalking through prevention strategies and effective intervention services; and innovative projects to implement public education campaigns, community organizing activities, and/or prevention strategies focusing on engaging men and male youth as leaders and role models. Grant 2015-CY-AX-0010 is associated with this program.

## **The Grantee**

WAA, a nonprofit agency, is a Philadelphia domestic violence advocate and service provider. The mission of WAA is to provide quality, compassionate, and nonjudgmental services in a manner that fosters self-respect and independence in persons experiencing intimate partner violence and to lead the struggle to end domestic violence through advocacy and community education.

The organization strives to provide six core services: (1) Safe Havens, (2) Legal Centers, (3) Sojourner House, (4) Safe at Home Program, (5) Philadelphia Domestic Violence Hotline, and (6) Community Education and Training. The OVW grants help support three of the core services: (1) Safe Haven case management services, (2) Legal Centers, and (6) Community Education and Training.

WAA is a Pennsylvania Coalition Against Domestic Violence (PCADV) community based program. PCADV administers the state contract for domestic violence services through the distribution of state and federal funds to its 60 community-based programs, and through implementation and monitoring of standards to meet the needs of victims. As such, PCADV monitors WAA compliance with PCADV Standards.

## **OIG Audit Approach**

The objectives of this audit were to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine whether WAA demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance and accomplishments, grant financial management, grant expenditures, budget management and control, drawdowns, federal financial reports, and special conditions related to safety and background checks.

We tested compliance with what we consider to be the most important conditions of WAA activities related to the audited grants. We performed sample-based audit testing for grant expenditures including personnel and non-personnel charges, financial reports, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The DOJ Grants Financial Guide, and the award documents contain the primary criteria we applied during the audit.<sup>1</sup>

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<sup>1</sup> OVW did not publish financial guides that covered the period of our audit from October 2015 through September 2017 and stated that for that period, grantees were required to apply criteria from the most updated financial guide published by OJP.

During our audit, we obtained information from OJP's Grants Management System (GMS) as well as the WAA accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems was verified with documentation from other sources.

The results of our analysis are discussed in detail later in this report. Appendix 1 contains additional information on this audit's objectives, scope, and methodology.

## **AUDIT RESULTS**

### **Program Performance and Accomplishments**

We reviewed required performance reports, grant documentation, and interviewed WAA officials to determine whether the organization demonstrated adequate progress towards achieving the program goals and objectives. We found WAA demonstrated adequate progress towards the grants' goals and objectives.

We also reviewed progress reports to determine if they were accurate and timely. We found small inaccuracies in the transitional housing program grant progress reports and have included a recommendation to improve the accuracy of those reports in the future.

#### *Program Goals and Objectives*

##### Transitional Housing Assistance Program

The goals and objectives for grant number 2012-WH-AX-0073 included, but were not limited to: (1) providing rental assistance and supportive services to help survivors of domestic violence successfully relocate and transition into safe and affordable housing, and (2) promoting long-term stability for survivors by providing comprehensive supportive services that empower clients. We determined WAA provided relocation support and short-term rental assistance for survivors of domestic violence each year. In addition, WAA partnered with a local financial counseling agency to provide financial literacy and empowerment workshops for WAA clients.

The goal and objective for grant number 2016-WH-AX-0039 included, but was not limited to, empowering survivors to sustain their housing, thereby ensuring their safety and independence from the abuser. We determined WAA had three case managers on staff to process rental assistance applications, and partnered with a local financial counseling agency to provide financial literacy and empowerment workshops for WAA clients.

Based on our review, we found WAA demonstrated adequate progress towards the grant programs' goals and objectives.

##### Legal Assistance for Victims Grant Program

The goals and objectives for grant number 2013-WL-AX-0006 included providing attorney or legal representation limited to: (1) survivors of domestic violence, intimate partner sexual assault, and domestic violence stalking in need of assistance with child custody and support cases, (2) housing matters to help survivors of domestic violence obtain living arrangements safe from an abuser, (3) divorce matters to help survivors maintain safety from abuse, and (4) improve services and counseling for survivors of sexual assault. We determined WAA established local subgrants for this grant program.

The goals and objectives for grant number 2016-WL-AX-0036 included, but were not limited to: (1) providing holistic legal services – including representation in custody and support cases, related divorce and housing matters, and related protection from abuse cases – to victims of domestic violence in Philadelphia, and (2) enhancing services to meet emerging needs of survivors of sexual assault, with a focus on young adults on college campuses. We determined WAA provided representation to victims of sexual assault using WAA on-staff lawyers and local subgrants.

Based on our review, we found WAA demonstrated adequate progress towards the grant program's goals and objectives.

#### Consolidated Youth Program

The goals and objectives for grant number 2015-CY-AX-0010 included, but were not limited to: (1) forging a coordinated response to address the unmet needs of youth and young adults affected by teen dating violence in Philadelphia - with an emphasis on homeless youth, resulting in increased prevention and intervention services, (2) delivering vital teen dating violence prevention education to youth and young adults within Philadelphia's schools and homeless shelters so they make positive relationship choices, and (3) increasing awareness of available services by engaging youth educated through this project in WAA's iPledge campaign to end domestic violence. We determined WAA established local subgrants and provided youth education and training.

Based on our review, we found WAA demonstrated adequate progress towards the grant program's goals and objectives.

#### *Progress Reports*

OVW requires its grant recipients to submit progress reports semiannually to provide information relevant to the performance and activities of the program. The reports are due 30 days after the end of the reporting periods ending on June 30 and December 31. We determined WAA filed all required semi-annual progress reports timely.

We tested the accuracy of three progress reports from three of the five grants (including two from the transitional housing grants, and one from the Consolidated Youth Program). We reviewed supporting documentation maintained by WAA and determined that the information reported was misstated on two of the three progress reports submitted. WAA told us the reports were misstated due to clerical error.

We found that both discrepancies occurred in the transitional housing program grants. One report included calculation errors for the amount of transitional housing support provided. The other included discrepancies for the months of service provided. Misstated reports compromise OVW's ability to monitor its grantees and risk the potential for future material inaccuracies.

We determined WAA had a well-designed process to accurately complete



progress reports because the organization utilizes multi-level oversight, which includes a preparer, reviewer, second reviewer, and final reviewer/submitter. If the process is followed as designed, the risk of submitting inaccurate progress reports is reduced.

We recommend that OVW ensures that WAA adheres to existing policies by providing employee training and documenting review to ensure semi-annual progress reports are accurately completed.

### *Compliance with Special Conditions*

Special conditions are the terms and conditions that are included with awards. Given the nature of these grants, we judgmentally selected for review special conditions intended to protect WAA clients. These special conditions address facility and individual security, client recovery and safety, and victim confidentiality. Although not a special condition, we also reviewed WAA's policies related to compliance with Pennsylvania state law requiring background checks for its employees working directly with children.

A special condition related to the two transitional housing grants required WAA to institute measures designed to protect the safety of transitional housing clients by providing personnel and procedures to enhance facility and individual security.

A special condition related to all five grants required WAA to ensure that grant funds will not support activities that compromise victim recovery and safety. The special condition prohibits denying services to clients based on their actual or perceived sex, age, immigration status, race, religion, sexual orientation, gender identity, mental or physical health condition, criminal record, work in the sex industry, or the age and/or sex of their children. In addition, WAA must agree that funds will not be used to require clients to participate in mandatory counseling or legal proceedings.

Another special condition related to four grants required WAA to establish and maintain policies and procedures to protect the confidentiality of any information identifying the clients served.

We reviewed WAA policies related to these three areas and determined that those policies were well designed to ensure compliance with the related special conditions. WAA told us that in the areas related to these special conditions, there has not been any incidents or instances of WAA failing to protect its clients served by these grants.

In addition to reviewing the special conditions identified above, we assessed the design of WAA's policies related to, and in compliance with, state law requiring background checks for employees with regular and repeated contact with children. This law requires three clearances: (1) a criminal history report from the Pennsylvania State Police, (2) a Child Abuse History Clearance from the Pennsylvania Department of Human Services, and (3) a fingerprint print based

federal criminal history. The law requires that these three clearances be renewed every 5-years.

We reviewed grant 2015-CY-AX-0010 with the project title of "*Forging a Coordinated Response to the Needs of Youth and Young Adults, including Homeless Youth, in Philadelphia.*" WAA identified 18 employees paid from this grant that had a potential of engaging in grant-related activity that included regular and repeated contact with children. We tested a sample of four employees and determined WAA complied with the applicable criteria for obtaining and renewing background clearances as required by Pennsylvania State Law.

## Grant Financial Management

OVW guidelines require all grant recipients and subrecipients to maintain adequate accounting systems, financial records, and accurately account for funds awarded to them. Also, the Code of Federal Regulations requires that recipients' financial management systems provide for comparison of expenditures with budgeted amounts.

Our assessment of the financial management system included reviewing financial statement audits, single audits, OVW site visits, and financial accounting practices and capabilities. We did not identify any deficiencies in the design or operation of the financial management system to the administration of the grants in our scope.

## Grant Expenditures

Between October 2012 and September 2017, WAA charged a total of \$1,256,420 in expenditures to the five grants we audited. These expenditures included personnel, fringe benefits, travel, supplies, subrecipients, other costs, and indirect costs. The following table summarizes this information.

**Table 2**  
**Expenditure Summary for WAA Grants**  
**From October 2012 and September 2017**

<b>Expenditure Category</b>	<b>2012-WH-AX-0073</b>	<b>2013-WL-AX-0006</b>	<b>2015-CY-AX-0010</b>	<b>2016-WL-AX-0036</b>	<b>2016-WH-AX-0039</b>	<b>Total</b>
Personnel	\$ 115,211	\$ 300,934	\$ 161,948	\$ 74,218	\$ 17,766	\$ 670,078
Fringe Benefits	33,570	88,015	48,341	22,082	5,246	197,254
Travel	12,424	8,276	11,201	2,664	6,158	40,723
Supplies	6,274	-	2,132	-	-	8,406
Subrecipients	29,000	22,600	14,239	1,567	5,200	72,605
Other Costs	64,163	3,577	6,711	1,234	16,617	92,301
Indirect	31,276	74,095	39,131	20,353	10,198	175,053
<b>Total</b>	<b>\$ 291,917</b>	<b>\$ 497,496</b>	<b>\$ 283,703</b>	<b>\$ 122,118</b>	<b>\$ 61,185</b>	<b>\$ 1,256,420</b>

Note: Totals may not add due to rounding.

Source: OIG Analysis of WAA Financial Data.

## *Personnel and Fringe Benefit Expenditures*

### Personnel

WAA charged \$670,078 of personnel expenditures, or 53-percent of total expenditures, to the five grants we audited between October 2012 and September 2017. We reviewed a sample of 30 personnel expenditures from the 5 grants totaling \$42,438, approximately 6-percent of personnel charged.

We found that within our sample, WAA paid a total of 43 different employees for a variety of positions, including, Program Directors, Case Managers, and Attorneys. We determined that the personnel expenditures we reviewed were allowable and supported by time and effort reports that allocated these costs among the grant-funded activity and other organizational activities.

### Fringe Benefit

OVW approved fringe benefits for each of the five grants, and the benefits approved included FICA, Unemployment Compensation, Worker's Compensation, Health Insurance Premiums, Plan Administration, Pension, and Disability/Life Insurance. WAA charged \$197,254 of fringe benefit expenditures, or 16-percent of total expenditures, to the five grants we audited between October 2012 and September 2017. We reviewed a sample of 29 fringe benefit expenditures, including expenditures from each of the 5 grants, totaling \$10,325, approximately 5-percent of fringe benefits charged.

We determined the fringe benefits were allowable, supported, and accurately calculated based on the amount of salaries charged to the grants in the respective periods.

### *Travel*

WAA charged \$40,723 for travel expenditures, or 3-percent of total expenditures, to the five grants we audited between October 2012 and September 2017. We sampled 25 travel expenditures, including expenditures from each of the 5 grants, totaling \$11,730, approximately 29-percent of the travel expenditures charged. The samples included WAA employee travel to conferences and training.

We assessed WAA internal policy and determined all 25 of the travel samples were accurate, supported, and reasonable.

### *Subrecipients*

WAA charged \$72,605 for subrecipient expenditures, or 6-percent of total expenditures, to the five grants we audited between October 2012 and September 2017. WAA partnered with 14 different subrecipients to carry out transitional housing services, counseling services, and education and training for the grant programs. We sampled \$20,598, approximately 28-percent of the total subrecipient expenditures charged, to determine whether the expenditures were allowable, supported, and reasonable.

WAA identified the 14 subrecipients related to these grants using sole-source procurement. We tested 3 of the 14 subrecipient procurements and determined that WAA followed its policy for justifying the use of the sole-source procurements, but it did not document the negotiated costs associated with the subrecipient services as reasonable. WAA told us the remaining 11 subrecipients did not include reasonable price analysis either.

Although WAA's policy requires a documented assessment of the basis of contract price or fair market price for all procurements, officials told us that the organization has not applied this policy to sole-source subrecipient situations because the organization is not familiar with how to complete such an assessment given the unique circumstances.

We determined the WAA sole-source policy is not well-designed to ensure that terms are fair and reasonable on grant awards because WAA is not familiar with an analysis technique. We recommend that OVW ensures that WAA develops and implements procedures to document how sole-source subaward costs are deemed reasonable.

#### *Other Costs – Transitional Housing Rent*

WAA charged \$92,301 to other costs, or 7-percent of the total expenditures, for the five grants we audited between October 2012 and September 2017. We focused our review on these other costs related to the Transitional Housing Grant Assistance program totaling \$80,223, approximately 87-percent of the total other costs expenditures. As required by special conditions for both the 2012-WH-AX-0073 and 2016-WH-AX-0039 Transitional Housing grants, WAA has written policy for rules governing the provision of the transitional housing and related supportive services.

We assessed the WAA internal process to calculate payments within the other cost category, and tested a sample of seven payments, totaling \$6,425, or approximately 8-percent of total Transitional Housing Grant Assistance program expenditures. We recalculated the payments for accuracy and determined that the grant expenditures were allocated, supported, and allowable.

#### *Indirect Costs*

Indirect costs are costs of an organization that are not readily assignable to a particular project, but are necessary to the operation of the organization and the performance of the project. OVW approved indirect costs in the budget for all five grants totaling \$361,349.

As indicated on the indirect agreement, the formula to calculate indirect cost is total direct cost less adjustments for capital expenditures, equipment, and subawards in excess of \$25,000 (Base), multiplied by the approved indirect cost rate (Rate). We calculated the maximum allowable using the approved indirect rate and base (\$265,192) according to the agreement and compared that to the actual

indirect costs charged (\$175,053) and determined that WAA did not exceed the maximum allowable indirect cost expenditure.

WAA was 23-percent below the maximum allowable amount because it did not use the standard method for calculating indirect costs. WAA used an estimate instead of the standard method which caused the Federal Financial Reports (FFRs) to present a temporary inaccuracy for the first 3 quarters of the year, while the final report was accurate. This matter is discussed further in the FFRs section. Additionally, WAA told us it does not charge the maximum allowable to preserve funds for direct costs.

## **Budget Management and Control**

Grant recipients are required to initiate a Grant Adjustment Notice (GAN) for budget modifications when reallocating funds among budget categories if the proposed cumulative change is greater than 10-percent of the total award amount.

We determined that WAA did not make cumulative changes exceeding 10-percent of any of the five OVW grants we audited and no adjustments were made to any grant budget.

## **Drawdowns**

The term drawdown is used to describe the process when a grant recipient requests funding under an approved grant award agreement. OVW allows grant recipients two options for taking drawdowns, the recipient can either: (1) request a drawdown to reimburse past grant expenditures, or (2) take drawdowns in advance, but must spend advance drawdowns within 10 calendar days after receiving the funding or return the unspent funds to DOJ.

Between March 2012 and September 2017, WAA made 37 drawdowns, totaling \$1,095,933, from the 5 grants in the scope of our audit. All drawdowns were received as reimbursements for the last 3-years. We determined WAA has a well-designed process to ensure compliance with cash management requirements.

## **Federal Financial Reports**

In order for OVW to monitor the status of funds for a project, it requires grant recipients to submit quarterly FFRs that specify the grant expenditures made during the quarterly period and the cumulative expenditures to date for a grant. Grantees are required to submit these reports no later than 30 days after the last day of each quarter. If the report is delinquent, a grantee will not be able to draw down funds until the FFR is submitted.

We found that WAA submitted all 42 FFRs in the scope of our audit timely; however, 30 of the 42 FFRs (71-percent) were inaccurate as compared to the accounting system. We determined that for all five grants, only the final quarterly report of each year was accurate while the reports for the three other quarters were slightly misstated. This occurred because the three interim reports used a process that relied on estimated costs rather than actual costs, while the final report for a

given year used actual account figures. Specifically, the process for developing the financial reports was not well designed as estimates were used for the indirect cost category, as described earlier in this report. The FFRs presented temporary differences; however, all annual totals were accurate when compared to the accounting system.

WAA told us it agreed with our determination and plans to revise the process so estimates are not used. We recommend OVW ensures WAA implements and adheres to written FFR policies and procedures to ensure financial reports are submitted without estimates on a quarterly basis.

## **CONCLUSION AND RECOMMENDATIONS**

As a result of our audit testing, we concluded that, WAA generally managed the grants that we reviewed appropriately and demonstrated adequate progress towards achieving the grants' stated goals and objectives. We found that all tested expenditures were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grants. However, we found some minor discrepancies related to weaknesses in certain internal controls. We provide three recommendations to OVW to address these deficiencies.

We recommend that OVW:

1. Ensures that WAA adheres to existing policies by providing employee training and documenting review to ensure semi-annual progress reports are accurately completed.
2. Ensures that WAA develops and implements procedures to document how sole-source subaward costs are deemed reasonable.
3. Ensures that WAA implements and adheres to written FFR policies and procedures to ensure financial reports are submitted without estimates on a quarterly basis.

## **APPENDIX 1**

### **OBJECTIVES, SCOPE, AND METHODOLOGY**

#### **Objectives**

The objectives of this audit were to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

#### **Scope and Methodology**

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

This was an audit of Office on Violence Against Women (OVW) grants awarded to Women Against Abuse (WAA) under the: (1) Transitional Housing Grant Assistance Program Grant awards, (2) Legal Assistance for Victims Grant Program, and (3) Consolidated and Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies. WAA was awarded \$2,449,028 under awards 2012-WH-AX-0073, 2013-WL-AX-0006, 2015-CY-AX-0010, 2016-WL-AX-0036, and 2016-WH-AX-0039. Our audit concentrated on, but was not limited to, the period from September 13, 2012, the award date for Award Number 2012-WH-AX-0073, through September 30, 2017, the last day of our audit work. Award Number 2012-WH-AX-0073 ended on December 31, 2015, Award number 2013-WL-AX-0006 ended on December 31, 2016, and Award Numbers 2015-CY-AX-0010, 2016-WL-AX-0036, and 2016-WH-AX-0039 were ongoing at the time of our review.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of WAA activities related to the audited grants. We performed sample-based audit testing for grant expenditures including personnel and non-personnel charges, financial reports, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The DOJ Grants Financial Guide, and the award documents contain the primary criteria we applied during the audit.



During our audit, we obtained information from OJP's Grants Management System (GMS) as well as the WAA accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems was verified with documentation from other sources.

## APPENDIX 2

### WOMEN AGAINST ABUSE OF PHILADELPHIA RESPONSE TO THE DRAFT AUDIT REPORT



Mr. Thomas O. Puerzer  
Regional Audit Manager  
US Department of Justice  
Office of the Inspector General  
Philadelphia Regional Audit Office  
701 Market Street, Suite 2300  
Philadelphia, PA 19106

August 28, 2018

Dear Mr. Puerzer:

Women Against Abuse is in receipt of the recommendations that have been provided as a result of the Office of Inspector General Audit. Please find our responses to the below recommendations to the Office of Violence Against Women:

1. Ensures that WAA adheres to existing policies by providing employee training and documenting review to ensure semi-annual progress reports are accurately completed.

***Yes, we agree with this recommendation.*** As noted by OIG in the report, WAA has a well-designed process to accurately complete progress reports that the organization utilizes that includes multi-level oversight. Since 2012 Women Against Abuse has steadily increased capacity and infrastructure enhancements within the organization to provide adequate resources and oversight to ensure compliance with contract guidelines and increase data accuracy. These enhancements include: the creation of the Program Compliance Department; major investments in client management software, ClientTrack; restricting all external report submissions to only the Advancement and Compliance departments; greater coordination and reconciliation of relocation funds between the Finance and Compliance Departments; and the current process of saving all data used to submit semi-annual progress reports to eliminate the discrepancy noted within the audit. WAA will continue utilize the current process outlined in the report.

[www.womenagainstabuse.org](http://www.womenagainstabuse.org)

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1 866 723 3014

2. Ensures that WAA develops and implements procedures to document how sole-source subaward costs are deemed reasonable.

***Yes, we agree with this recommendation.*** As noted by OIG in the report, WAA utilized the expertise and services of fourteen sub-recipients associated with the five DOJ/OVW grants reviewed. As part of the application process, WAA included the projected work and deliverables of the sub-recipients as well as the Memorandum of Understanding between the agencies to OVW. There is no guidance within the application process from DOJ/OVW to indicate that we need to obtain fair market rates for services provided by sub-recipients. Nor did DOJ/OVW ask how budgets were determined at time of application and award. WAA currently evaluates vendor procurement contracts for such rates but has not been informed of any requirements around this for sub-recipients. In fact, page 15 of DOJ's Financial Grants Guide seems to put the onus for this on DOJ rather than the applicant, stating that DOJ will perform a cost analysis of the project, including evaluation and determination of reasonableness.

In addition, WAA partners with service providers that are at times the only provider in the region that has the specialty needed to counsel/train/represent victims for domestic violence and sexual assault.

While we are unaware of any violation of OVW guidelines WAA is amenable to receiving technical assistance from OVW to assist in improving the agency's policies related to sub-recipients in determining reasonable costs.

3. Ensures that WAA implements and adheres to written FFR policies and procedures to ensure financial reports are submitted without estimates on a quarterly basis.

***No, we do not agree with this recommendation.*** We believe that the finding stating that 30 of WAA's Federal Financial Reports were inaccurate is misleading. The FFR reports were, indeed, accurate. The difference between the reports and our internal accounting records was simply the indirect costs. What we reported on the FFR report was the correct indirect expense amount, based on the allowable indirect rate. This rate was approved at the beginning of the grant process. Each quarter, when submitting the FFR, we accurately charged the correct amount of indirect expenses based on this approved rate and our allowable direct costs. However, in order to use our resources as efficiently as possible, we only estimated these indirect costs on our internal books on a quarterly basis. At year-end, we made the necessary adjustments to ensure that the correct indirect costs (already reported on our FFRs) matched our internal records (by doing mainly immaterial adjusting entries to the indirect allocation). Therefore, all of the FFRs we submitted were, in fact, correct - it was our internal books that needed to be adjusted, done so at year end.

We appreciate the opportunity to respond to the Office of Inspector General's Audit Report.

Sincerely,



Jeannine L. Lisitski  
Executive Director and President

Cc: Rodney D. Samuels  
Audit Liaison  
Office on Violence Against Women

## APPENDIX 3

### OFFICE ON VIOLENCE AGAINST WOMEN RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice

Office on Violence Against Women

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Washington, DC 20530

September 5, 2018

#### MEMORANDUM

TO: Thomas O. Puerzer  
Regional Audit Manager

FROM: Nadine M. Neufville *NMN*  
Deputy Director for Grants Development and Management

Donna Simmons *DS*  
Associate Director, Grants Financial Management Division

Rodney Samuels *RS*  
Audit Liaison/Staff Accountant

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against  
Women (OVW) Grants Awarded to Women Against Abuse,  
Philadelphia, Pennsylvania

This memorandum is in response to your correspondence dated August 10, 2018 transmitting the above draft audit report for the Women Against Abuse (WAA). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains three recommendations. OVW is committed to addressing and bringing the open recommendations identified for our office to a close as quickly as possible. The following is our analysis of each OVW recommendation.

**1. Ensures that WAA adheres to existing policies by proving employee training and documenting review to ensure semi-annual progress reports are accurately completed.**

Concur: OVW will coordinate with WAA to ensure that WAA adheres to existing policies by proving employee training and documenting review to ensure semi-annual progress reports are accurately completed.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW)  
Grants Awarded to Women Against Abuse, Philadelphia, Pennsylvania

**2. Ensures that WAA develops and implements procedures to document how sole-source subaward costs are deemed reasonable**

Concur: OVW will coordinate with WAA to ensure that they develop and implement procedures to document how sole-source subaward costs are deemed reasonable.

**3. Ensures that WAA implements and adheres to written FFR policies and procedures to ensure financial reports are submitted without estimates on a quarterly basis.**

Concur: OVW will coordinate with WAA to ensure that they implement and adhere to written FFR policies and procedures to ensure financial reports are submitted without estimates on a quarterly basis.

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

cc Bradley Weinsheimer  
Associate Deputy Attorney General

Mathew Sheehan  
Counsel to the Deputy Attorney General

Richard P. Theis  
Assistant Director, Audit Liaison Group  
Internal Review and Evaluation Office  
Justice Management Division

Myrta D. Charles  
Program Manager  
Office on Violence Against Women

Kellie Greene  
Program Manager  
Office on Violence Against Women

Veronica Smith  
Program Manager  
Office on Violence Against Women

**MEMORANDUM**

**SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW)  
Grants Awarded to Women Against Abuse, Philadelphia, Pennsylvania**

**JanSheri Morris  
Program Manager  
Office on Violence Against Women**

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

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) provided a draft of this audit report to the Office on Violence Against Women (OVW) and Women Against Abuse (WAA). OVW's response is incorporated in Appendix 3 and WAA's response is incorporated in Appendix 2 of this final report. In its response, OVW concurred with our recommendations, and as a result, the status of the audit report is resolved. The following provides the OIG analysis of the summary of actions necessary to close the report.

**Recommendations for OVW:**

**1. Ensures that WAA adheres to existing policies by providing employee training and documenting review to ensure semi-annual progress reports are accurately completed.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will ensure WAA adheres to existing policies by providing employee training and documenting review to ensure semi-annual progress reports are accurately completed.

WAA concurred with our recommendation and stated in its response that it will utilize infrastructure enhancements within the organization to provide adequate resources and oversight to ensure compliance with contract guidelines and increased data accuracy. WAA stated it will continue to utilize the current process outlined in the report to eliminate semi-annual progress report discrepancies.

This recommendation can be closed when we receive documentation demonstrating that WAA is adhering to policies to ensure semi-annual progress reports are accurate.

**2. Ensures that WAA develops and implements procedures to document how sole-source subaward costs are deemed reasonable.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will ensure WAA develops and implements procedures to document how sole-source subaward costs are deemed reasonable.

WAA concurred with our recommendation and stated in its response that, at times, its partner service providers are the only provider in the region able to provide the needed service for victims of domestic violence and sexual assault. At the time of application, WAA included the projected work and deliverables of the 14 subrecipients and the Memorandum of Understanding



between the agencies to OVW. WAA went on to state that it was unaware of any violation of OVW guidelines and that it is amenable to receiving technical assistance from OVW to assist in improving the agency's policies related to subrecipients in determining reasonable costs.

This recommendation can be closed when we receive documentation demonstrating that WAA has implemented procedures to implement sole-source contracts that appropriately consider costs.

**3. Ensures that WAA implements and adheres to written FFR policies and procedures to ensure financial reports are submitted without estimates on a quarterly basis.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will ensure WAA implements and adheres to written FFR policies and procedures to ensure financial reports are submitted without estimates on a quarterly basis.

WAA did not concur with our recommendation. In its response, WAA stated the finding of 30 inaccurate FFRs was misleading because the correct amount of indirect expenses based on the OVW approved indirect rate and allowable direct costs were accurately charged and reported. WAA stated it only estimated these indirect costs on its internal books on a quarterly basis and that, at yearend, it made the necessary adjustments to ensure that the correct indirect costs matched the internal records. Additionally, the response described the estimates used to complete FFRs and the yearend adjustments to ensure that the correct indirect costs matched internal records.

As described in the report, WAA used an estimate instead of actual costs that was 23 percent below the maximum allowable indirect rate charged. The use of the estimate caused the FFRs to present a temporary inaccuracy for the first three quarters of the year, while the final report was accurate. Although a temporary inaccuracy, the quarterly FFRs were inaccurate at the time of submission.

This recommendation can be closed when we receive documentation demonstrating that WAA implements policies that result in the submission of quarterly FFRs that do not use estimates.



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**U.S. DEPARTMENT OF JUSTICE OFFICE OF THE INSPECTOR GENERAL**

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