



Audit of the Office on Violence Against Women Technical Assistance Awards to the National Center for State Courts, Williamsburg, Virginia



AUDIT DIVISION

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Redactions were made to the full version of this report for privacy reasons. The redactions are contained only in Appendix 4, the grantee's response, and are of individuals' names.

This report was revised in July 2022. This revision corrects two figures that do not affect the report's findings and conclusions. The corrected figures, each noted by an asterisk, appear on page i and page 10.



EXECUTIVE SUMMARY

Audit of the Office on Violence Against Women Technical Assistance Awards to the National Center for State Courts, Williamsburg, Virginia

Objectives

The Office on Violence Against Women (OVW) awarded over \$1.1 million to the National Center for State Courts (NCSC) across four cooperative agreements under its Technical Assistance Initiative Grants (TA) Program. The objectives of this audit were to determine whether costs claimed under the cooperative agreements were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and award terms and conditions; and to determine whether the grantee demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

The NCSC demonstrated adequate progress towards meeting goals and objectives of cooperative agreements. However, the NCSC did not adhere to all agreement requirements. Specifically, the NCSC did not comply with essential award conditions pertaining to the monitoring of program activities; justifying and documenting subrecipient and consultant rates, and monitoring subrecipient payroll expenses. The NCSC also could not fully support some travel expenses and Federal Financial Reports (FFRs). As a result, the audit identified \$35,790 in questioned costs and \$1,109 in funds to be put to better use.

Recommendations

Our report contains 12 recommendations to OVW. We requested that OVW and the NCSC respond to a draft of this report, and respectively incorporated their responses at Appendices 3 and 4. Our analysis of these responses is at Appendix 5.

Audit Results

OVW awarded the TA cooperative agreements to the NCSC to provide direct technical assistance to other OVW grantees. The project period for the awards was from October 2015 through September 2021. The NCSC drew down a cumulative amount of \$769,338 for the cooperative agreements we reviewed.

Program Goals and Accomplishments

The NCSC achieved the goals and objectives of two awards that concluded in 2020. We note that the COVID-19 pandemic continues to affect the program and travel operations of the two additional awards we reviewed, which were ongoing at the time of this audit. Nevertheless, the NCSC requested and OVW approved no-cost extensions for these awards to provide additional time for NCSC to meet the objectives of these agreements.

Program Monitoring

The audit determined that NCSC did not follow its own subrecipient monitoring policies or federal requirements to monitor programmatic activities of its subrecipients. NCSC documents and officials applied various terms to describe the working relationships with subrecipients. The NCSC needs to accurately classify its subrecipients, which would define the working relationship and extent of monitoring it is required to perform.

Grant Expenditures

The audit identified unallowable and unsupported award expenditures. These included unsupported subrecipient personnel costs (\$22,413), unsupported contractor costs (\$3,643), unallowable personnel costs (\$5,392) and unallowable travel assistance program costs (\$4,342).*

Federal Financial Reports

We were unable to test and reconcile the FFRs and NCSC accounting records for four quarters due to missing documentation and explanations. NCSC lacks detailed policies and procedures to guide the compiling, reviewing,

and reconciliation of FFRs. As a result, NCSC did not prepare FFRs that accurately reported indirect expenses.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of four Technical Assistance Initiative Grants (TA) Program cooperative agreements awarded by the Office on Violence Against Women (OVW) to the National Center for State Courts (NCSC). NCSC's four cooperative agreements totaled over \$1.1 million, as shown below in Table 1.

Table 1

Awards Awarded to the National Center for State Courts

Award Number	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2015-TA-AX-K050 (K050)	09/28/2015	10/01/2015	01/31/2020	\$300,000
2016-TA-AX-K054 (K054)	09/09/2016	10/01/2016	06/30/2020	250,000
2017-TA-AX-K030 (K030)	09/27/2017	10/01/2017	09/30/2021	245,730
2017-TA-AX-K033 (K033)	09/27/2017	10/01/2017	09/30/2021	351,705
Total:				\$1,147,435

Source: Grants Management System (GMS)

OVW implements the Violence Against Women Act (VAWA) and provides national leadership on issues of sexual assault, domestic violence, dating violence, and stalking. The primary purpose of OVW's TA Program is to obtain direct technical assistance for its grantees that enhances and supports their efforts to successfully implement their projects. OVW encourages eligible entities to apply for TA Program cooperative agreements to address specific areas in support of OVW grant programs.

The NCSC

Founded in 1971, the NCSC serves as a central, nonpartisan, research-based resource to assist state courts and their ability to operate efficiently and stay in front of trends. Headquartered in Williamsburg, Virginia, the NCSC researches and advises state courts on the challenges they face. The NCSC also offers educational courses to court professionals.

OIG Audit Approach

The objectives of this audit were to determine whether the costs that the NCSC claimed under the cooperative agreements were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and award terms and conditions; and to determine whether the NCSC demonstrated adequate progress towards achieving its program goals and objectives. To accomplish these objectives, we assessed performance in the following areas: program performance, financial management, expenditures, budget management and control, drawdowns, and Federal Financial Reports. We tested compliance with what we considered to be the most important award conditions. The 2017 DOJ Grants Financial Guide (Financial Guide), Title 2 CFR 200 (Uniform Guidance), and the award documents served as our primary audit criteria. This report details our audit results. Appendix 1 contains additional information on this audit's objectives, scope, and methodology. Appendix 2 lists the Schedule of Dollar-Related Findings.

Audit Results

Program Performance and Accomplishments



We reviewed performance reports, award solicitations, award documents, and interviewed NCSC officials to determine whether the NCSC demonstrated adequate progress towards achieving its award goals and objectives. We also reviewed the NCSC's semiannual Progress Reports to confirm the accuracy of the tested performance reports. Finally, we reviewed NCSC's compliance with the special conditions identified in the award documentation.



Program Goals and Objectives

As shown in Table 2, each of NCSC's four OVW TA Program cooperative agreements supported separate projects with distinct goals, objectives, and whether the project is closed or ongoing.

Table 2

Summary of Goals and Objectives of NCSC TA Program Awards

Award	Goals	Objectives	Status
K050 Court Interpreter Support 	To increase the capability of interpreters to provide services to limited English proficiency survivors in court proceedings, out-of-court activities, and service provision settings; and To increase access to qualified interpreters of virtual interpretation technology and a national database of interpreters.	Develop and deliver online training modules for interpreters and judges working with interpreters; and Develop and disseminate a virtual interpretation guide in coordination with the Council of Language Access Coordinators.	Completed.
K054 Protection Order Enforcement 	To improve the capability of courts and law enforcement to track, serve, and enforce protection orders through state protection order registries; and To increase the timely electronic transmission of accurate and complete protection order data between courts, process servers, law enforcement, and other local, state, and federal repositories.	Examine, catalogue, and disseminate information on laws governing of state protection order registries; Collect and disseminate developments in the use of technology to improve protection orders accessibility and enforcement; and To produce a protection order service guide.	Completed.
K030 Victim Privacy and Confidentiality	To help OVW Justice for Families grantees implement policies and practices and technological solutions that protect victim privacy and confidentiality.	Assess technologies that can (a) identify and redact victim information in court and service provider records; (b) set up role-based rules to control who can access case files; and Create and disseminate tools that (a) improve court document quality control, (b) provide for court self-assessments, and (c) address	Delayed, but in progress.

Award	Goals	Objectives	Status
		data confidentiality threats.	
K033 Technical Assistance 	To improve the capacity of state courts to develop and implement the VAWA and Services, Training, Officers, and Prosecutors (STOP) program.	Produce webinars, podcasts, and newsletters responsive to emergent issues; Increase the outreach to and provide technical assistance to Violence Against Women Point of Contacts (VAW POC); Increase OVW TA collaboration resources; Enliven the VAWA and Courts website; and Continue the travel assistance program.	Delayed, but in progress.

Source: OIG Analysis of OVW Award Documents

To assess whether the NCSC achieved these goals and objectives, we interviewed NCSC personnel and discussed program accomplishments and oversight with the responsible OVW Grant Manager for each award. Further, we reviewed the two most recent NCSC progress reports as well as Grant Adjustment Notices (GAN) documenting approved milestone or deliverable changes for each award. We also selected and assessed whether the NCSC achieved a sample of applicable award goals and objectives.

As described in the next sections, we confirmed that the NCSC achieved the goals and objectives to the first two awards, but milestone achievements of the second two awards have been delayed in part due to the COVID-19 pandemic and its resulting limits on official travel.

Award K050 (Court Interpreter Support)

The NCSC established a professional services agreement with a non-profit organization and its subject matter experts to develop and deliver online interpreter training modules and review materials related to piloting virtual software for domestic violence and sexual assault cases. The NCSC also established professional services agreements with other contractors to help develop and deliver content and voice-over work for OVW online interpreter and court staff training.

NCSC officials stated that an OVW budget review performed at the beginning of the award period delayed its initiation. According to these officials, the award experienced additional delays in receiving OVW feedback and approval for different training modules necessary to support an ongoing, yet separate, initiative. To request additional project time, the NCSC submitted a GAN, which OVW approved, to adjust the project's scope. Later, the NCSC submitted two additional GANs – one for a budget modification and another for a 1-month no-cost extension – both of which OVW approved. Our review identified no indications that the NCSC did not adequately achieve the stated goals and objectives for award 2015-TA-AX-K050.

Award K054 (Protection Order Enforcement)

As stipulated in its award narrative, the NCSC partnered with non-profit organizations via subrecipient agreements to: (1) provide training and technical assistance focused on improving protection order access

via technology innovations and (2) increase protection order enforcement through data sharing technology tools and procedures. We reviewed the two GANs approved by OVW for this award. The NCSC prepared the first GAN to request a budget modification in February 2020 and the second GAN in March 2020 to request a 3-month no cost extension. We determined that the NCSC accomplished the award's goals and objectives.

Award K030 (Victim Privacy and Confidentiality)

Per the award narrative, the NCSC partnered with two non-profit organizations as subrecipients, one of which was a technical assistance provider for OVW's Justice for Families program, to implement both policies, practices, and technology solutions to better protect victim privacy and confidentiality throughout the legal process.

As of August 2020, the NCSC reported that it had completed its first case study examining emerging technology that protected victim information and was seeking OVW approval to initiate a second case study from among three potential sites. In addition to completing this second case study, the NCSC reports that the following deliverables are still pending but have been delayed: (1) webinars; (2) quality control and self-assessment tools, and (3) victim confidentiality management tools and best practices.

NCSC officials stated several factors contributed to project delays, including staffing shortages and difficulty in identifying a case study site that met specific project criteria. In addition, an NCSC official stated that the COVID-19 pandemic resulted in suspending project travel and disrupting the capacity of state courts to engage fully with the NCSC and its subrecipients, leading to additional project delays.

We reviewed two GANs that OVW approved for this award. In July 2019, the NCSC requested a 1-year no-cost extension to provide additional time for it to hire additional staff. In April 2020, the NCSC requested another 1-year no-cost extension due to the logistical and operational ramifications that the COVID-19 pandemic had on the project. The NCSC Project Director stated that extensions would provide the time necessary to fulfill the goals and objectives of the project.

Award K033 (Technical Assistance)

As stipulated by the award narrative, the NCSC established a partnership with two non-profit organizations via a memorandum of understanding (MOU) with the purpose to improve the capacity of state courts to develop and implement the Violence Against Women Act (VAWA).

Through our interviews with NCSC officials and review of approved GANs, we learned that the project underwent a change in deliverables and experienced a year-long delay in the beginning. Originally, the NCSC planned to survey managers of state protection order registries to identify technical issues, legal issues, system glitches, and transmitting difficulties. However, OVW notified the NCSC that the Paperwork Reduction Act prohibited it from using the award to collect information from 10 or more respondents without the explicit approval of the Office of Management and Budget. To address this issue, the NCSC revised its planned survey-based approach to one that was interview-based. Although OVW approved this revision, the NCSC official stated that the time required to formulate and request this change contributed to project delays.

Another objective of the award is to improve support for Violence Against Women Point of Contacts (VAW POC). Designated by the state-level court administrator in each state and territory, a VAW POC is responsible for coordinating court expertise with internal and external stakeholders and cultivating access to resources, such as OVW's Services Training Officers Prosecutors (STOP) program funds, that could be used to improve a state court's response to violence against women issues. In October 2018, the NCSC requested – and OVW approved – to change the project's deliverable from a traditional online training program to webinars and podcasts. The NCSC stated that this change would allow the award to: (1) provide VAW POCs with more timely information to emergent issues and (2) improve the frequency of VAW POC outreach, and thus enhance staff capacity to provide individualized technical assistance by staying current on VAW POC needs and interests.

As of August 2020, the NCSC project director confirmed that the NCSC has overhauled its website, provided technical assistance to partners and stakeholders, and updated the project contact database. Additionally, the NCSC has hosted two webinars and continues to release monthly newsletters.

The COVID-19 pandemic also affected the timeline of this project. In May 2020, the NCSC requested and OVW approved a 1-year no-cost extension due to COVID-19, which had stalled necessary travel and collaboration between NCSC personnel and state court staff. By extending the project end date from September 2020 to September 2021, NCSC officials told us that they believe that they will be able to continue supporting activities such as webinars, virtual monthly meetings, newsletters, and VAWA website enhancements. Additionally, while the NCSC stated that the COVID-19 response suspended it from awarding additional travel assistance grants to state court personnel, it hopes to be able to support this activity when appropriate. The NCSC also plans to host a virtual meeting of partners before the end date of the award.

Program Monitoring

According to the 2017 DOJ Grants Financial Guide (Financial Guide), a pass-through entity must have written subrecipient monitoring policies. Further, the pass-through entity must monitor a subrecipient's use of federal funds during the program period and should evaluate the subrecipient's risk of non-compliance with federal statutes, regulations and terms and conditions of the subaward for purposes of determining the appropriate monitoring.

Subrecipient Monitoring

The NCSC engaged in several formal agreements with external, mostly non-profit organizations to realize the goals and objectives of each award. NCSC's own policy states that it is responsible for monitoring the programmatic and financial activities of its subrecipients to ensure the proper stewardship of funds, particularly those subject to federal award regulations. NCSC's policy further states that it must, if necessary, monitor subrecipient activities following the award period to ensure proper use of all sub-awarded funds.¹

¹ The subrecipient award agreement NCSC applied to the four awards noted: the subrecipient shall submit to the [NCSC] written progress reports summarizing all work and activities undertaken or accomplished during the preceding period together with such other information as the [NCSC] may request. Progress reports should discuss milestones achieved or planned, any significant problems, issues, or concerns; and timely accomplishments and delays.

NCSC officials stated that they did not monitor subrecipient or contractor work through a regular or periodic written reporting process. Moreover, a former NCSC official (who retired prior to the audit) confirmed that while the NCSC maintained subrecipient monitoring rules, she did not apply it to the TA Programs she administered. This official stated she did not seek the value of a written performance reporting process because she “knew they were doing the work.” In her view, having NCSC partners complete the progress reports and monitoring would serve only to make “extra work” and thus she deemed it unnecessary for managing the subject awards.

By not performing and, importantly, documenting its monitoring of subrecipient work, the NCSC places an increased risk that subrecipient activities will not be timely or consistent with project goals and objectives. This concern is particularly relevant considering the: (1) aforementioned project delays experienced by NCSC’s ongoing TA Program awards; (2) need of new officials and staff to gauge appropriately the status of subrecipient work; and (3) need to rely on virtual tools to track and document work performed due to the COVID-19 pandemic. Therefore, we recommend that OVV work with the NCSC to ensure it adheres to its own policy, as well as DOJ and Uniform Guidance requirements, to monitor the programmatic activities of its subrecipients to guarantee work and activities undertaken are both timely and consistent with project goals and objectives.

Selection and Classification of Subrecipients

Across the four awards, the NCSC established seven agreements with other non-federal entities. NCSC documents and officials applied various—and often discrepant—terms to describe the working relationships with these subrecipients. One NCSC official stated there were no formal contractors on these grants, and instead considered “partners”. NCSC documentation also referred to the same entities as contractors and consultants.²

Strengthening NCSC’s subrecipient selection process and its employee’s knowledge of the different working relationships between contractors and subrecipients would further ameliorate the aforementioned subrecipient monitoring issues. The accurate classification of subrecipient type helps to define the substance of the resulting working relationship and the extent of monitoring required. According to the Uniform Guidance, primary recipients must use judgement in properly classifying a sub-awardee a contractor. Non-contractor subrecipients use federal funds to carry out a program for a public purpose specified in authorizing statute and primary recipients must: (1) provide to them pertinent award requirements, (2) obtain access to subrecipient records and financial statements, and (3) set appropriate terms and conditions concerning closeout of the subaward. Meanwhile, because a contractor provides goods and services to a primary recipient, the relationship between a primary recipient and subcontractor focuses on the delivery of the contracted goods or services. For contracts, the primary recipient must maintain records that detail the history of the procurement, how it selected the contractor, and the basis for the contractor prices.

We examined NCSC’s working relationship with two external entities – one that is identified as a

² OVV previously identified concerns regarding the types of agreements that the NCSC established with external parties and how its employees referred to these entities. Recognizing that the agreement type dictates NCSC’s administration and monitoring requirements, in September 2019, an OVV official advised the NCSC to consider the nature of the working relationship when deciding whether to enter into a contract or different type of agreement with a sub-awardee. We did not identify any action that the NCSC took subsequent to this advisement.

“subrecipient” and another that is identified as a “contractor” in its signed agreements.

- For award K054, the NCSC entered into an agreement with a non-profit organization to improve access to protection orders using technology innovations and increase the protection order enforcement through data sharing tools. NCSC subrecipient policies and procedures require that it evaluate subrecipients via a written risk assessment as part of the selection process. The NCSC stated that, in this instance, it chose to consult with this organization due to its specialized expertise and did not perform a risk assessment as required by its own policy. NCSC’s subrecipient agreement did not set any terms or conditions for subaward closeout. Based on NCSC documents, this non-profit organization was called a subrecipient, contractor, and consultant at different times during our audit.
- For award K050, the NCSC contracted with a non-profit organization to develop and deliver online interpreter training modules and provide comment on materials related to the use of virtual software for domestic violence and sexual assault cases. In addition to Uniform Guidance requirements to maintain records that detail the history of the procurement, NCSC policy requires that it procure goods and services in an open, fair, and competitive process. For awards over \$30,000, NCSC policy further requires that it solicit and compare quotes before finalizing a procurement. The NCSC did not provide support that it followed this policy in awarding this contract. Moreover, one NCSC official stated that this non-profit organization served as a subrecipient and not a contractor, despite NCSC records indicating otherwise.

For subrecipients, risk assessments (as required by NCSC’s policy) would help guide NCSC’s subsequent subrecipient monitoring efforts and delineate subaward closeout terms to ensure NCSC access to financial and performance documents. For contracts, a detailed record of procurement history and method would enable NCSC to comply with regulations and guidelines and show that it made open and fair procurements. We recommend that OVV require that the NCSC: (1) implement policies to ensure adherence to both Uniform Guidance procurement support requirements and its own subrecipient selection procedures, and (2) train employees on proper sub-awardee classification and terminology.

Compliance with Special Conditions

Special conditions are the terms and conditions that OVV included with the audited awards. We evaluated and selected a judgmental sample of the special conditions across the four awards that: (1) we deemed significant to program performance and (2) were not otherwise addressed by another section of this report. We evaluated NCSC’s compliance with special conditions regarding: (1) compliance with applicable requirements regarding registration with the U.S. General Services Administration’s System for Award Management; (2) compliance with the Federal Funding Accountability and Transparency Act Subaward Reporting System; and (3) maintaining updated contact information in the Grants Management System (GMS) for the award’s point of contact or the authorized NCSC representative. NCSC complied with the tested special conditions.

Performance Reports

According to the Financial Guide, the funding recipient must ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the

program solicitation. In order to verify the information in NCSC's semiannual performance reports we selected a judgmental sample of up to 4 performance measures from the two most recent reports submitted for each award and derived a test sample of 12 performance measures. We then traced and confirmed each performance measure to NCSC supporting documentation.

The NCSC did not provide adequate support for 1 of the 12 tested performance measures. Based on the progress report covering July to December 2019 for award K033, the NCSC reported that it sub-awarded two travel assistance grants to participants in training it hosted in Portland, Oregon, in September 2019. While the NCSC provided the participant applications for the travel assistance grants, the applications did not demonstrate that the NCSC funded the application or that the approved applicant(s) used the funds to travel to the particular training course. Per the DOJ Grants Financial Guide, an awardee must retain all financial records, supporting documents, statistical records, and all other records pertinent to the award for a period of 3 years from the date of submission of the final expenditure report. Without auditable supporting documentation, we could not verify NCSC's stated project deliverable or achievement for the reporting period. We, therefore, recommend that OVW work with NCSC to ensure it accurately collects, reviews, and reports program performance activities, as required by the DOJ Grants Financial Guide.

Award Financial Management

According to the Financial Guide, award recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to account for funds awarded to them. To assess NCSC's financial management of the audited awards, we interviewed financial staff, examined NCSC policy and procedures, and inspected available support to determine whether the NCSC adequately safeguarded award funds. Finally, we tested areas that we deemed relevant for the management of the four awards, as discussed throughout this report.³

Single Audit

Non-federal entities that receive federal financial assistance are required to comply with the *Single Audit Act of 1984*, as amended. The Single Audit Act provides for recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. Under the Uniform Guidance, such entities that expend \$750,000 or more in federal funds within the entity's fiscal year must have a "single audit" performed annually covering all federal funds expended that year. The Single Audit Report is required to include a Schedule of Expenditures of Federal Awards for the period covered by the awardee's financial statements. Additionally, an awardee must submit its Single Audit Report no later than 9 months after the end of the fiscal year covered by the audit.

Our audit evaluated the NCSC's most recent annual Single Audit Reports for 2015 through 2018. We found that the NCSC generally submitted its Single Audit Reports on time and the reports did not detail material weaknesses or significant deficiencies over NCSC's financial reporting and programming. Thus, we make no recommendation.

Budget Management and Control

According to the Financial Guide and the Uniform Guidance, a recipient must establish and maintain an adequate accounting system, which includes the ability to compare actual expenditures or outlays with budgeted amounts for each award. Additionally, the recipient must initiate a GAN for a budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount.

We compared actual award expenditures to the approved budgets to determine whether the NCSC transferred funds among budget categories in excess of 10 percent for the four awards. We determined that the cumulative difference between category expenditures and approved budget category totals was greater than 10 percent for awards K030 and K033. As these awards remain active through the end of September 2021, the NCSC may still allocate unspent funds between appropriate budget categories, which could result in a cumulative change between budget categories of less than 10 percent of the total award amount.

³ Concerns related to NCSC's grant expenditures procedures that resulted in unsupported and unallowable costs are discussed in more detail in the "Award Expenditures" section of this report. Similarly, discrepancies related to Federal Financial Reports (FFRs) and drawdowns are discussed in more detail in the corresponding sections of this report.

Federal Financial Reports

According to the Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report, as well as cumulative expenditures. To determine whether the NCSC submitted accurate Federal Financial Reports (FFRs), we compared the five most recent reports to NCSC accounting records for the four awards.

We determined that quarterly and cumulative expenditures for the reports reviewed matched the accounting records four of the five tested quarters for each award. However, we were unable to test and reconcile the FFRs and NCSC accounting records for the last tested quarter for each award due to missing documentation. Further, we were unable to identify the standardized process to compile FFRs in written policies and procedures. During our interviews, an NCSC official explained the concept and a step by step instruction alongside an example to compile and review the FFRs. However, we found that NCSC policies and procedures lack a detailed explanation and process to compile, review, and reconcile the FFRs.

We also found the last five FFRs for the K050, K030, and K033 awards did not include indirect expenses. In addition, the K054 award did not consistently include indirect expenses. With regard to this issue, NCSC officials stated that they only completed the indirect cost section of the FFR when requested by the OVW Grant Manager, and the Grant Monitor had not requested that the NCSC do so. We reached out to the relevant OVW Grant Monitors, both of whom stated that the NCSC should have reported any indirect costs expended for each FFR. Inaccurate or unsupported FFRs increase the risk that the associated costs could be overstated or charged incorrectly. We recommend that OVW ensure NCSC implements policies and procedures to guide accurate and supported quarterly financial reporting.

Award Expenditures

The approved budgets for NCSC's four awards included the following cost categories: personnel, fringe, travel, contractual, and other direct costs. To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a judgmental sample of 117 transactions representing \$70,251 in award expenditures. We reviewed documentation, accounting records, and performed verification testing related to award expenditures. Based on this testing, we recommend that OVW remedy \$35,790 in questioned costs.*

Contractual Costs

For the OVW TA awards, the NCSC tracked two types of contractual costs (1) subrecipient subject matter expert labor costs, and (2) consultant services.

Subrecipients

The Financial Guide makes primary award recipients responsible for adequately monitoring their subrecipients to ensure that they use subawards for authorized purposes and comply with federal program and award requirements, laws, and regulations. Subrecipients of federal awards must provide the primary recipient access to any documents or other records pertinent to their subaward. We judgmentally sampled invoices from the two awards with contract costs: awards K054 and K030. For each invoice, we traced expenses to available support to determine whether the expense was sufficiently supported and properly monitored.

Subrecipient contractor payroll charges constituted the majority of the subrecipient expenses for award K054. We could not reconcile contractor pay rates to invoiced charges. The K054 award narrative stated that the subrecipient would commit 5 percent of individual work time to project activities and included a total cost of \$22,398 for the applicable year of the subaward. The subrecipient invoiced, and the NCSC paid, \$21,940 in labor costs. However, while the award narrative specified the percentage of subrecipient time spent on the project, the NCSC did not document the overall salary and hourly rates of the individuals working on the subaward. This information is necessary to support the labor costs. Therefore, we question \$21,940 in unsupported subrecipient payroll and associated expenses charged to award K054. In addressing the need for support of these labor costs, the NCSC can provide evidence demonstrating how it calculated and set the \$22,398 provided in the award narrative.

Per the Financial Guide, all recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. For award K054, the NCSC paid subrecipient payroll charges without supporting timesheets or activity logs that recorded the number of hours worked; instead, NCSC reimbursed subrecipient payroll expenses based on invoiced charges. Without adequate support, we could not validate the tested payroll charges. Therefore, we question \$473 in unsupported payroll and associated expenses charged to award K054.

The NCSC maintained support for the other tested subrecipient expenditures, and we found that these costs were allowable. Unsupported contractor costs enhance the risk that award funds could have been used to pay overstated or incorrect charges. We therefore recommend that OVW remedy a total of \$22,413 in unsupported subrecipient personnel costs.

Consultants

Per the Financial Guide, compensation for consultant services must be: (1) reasonable and consistent with that paid for similar services in the marketplace and (2) no greater than a rate of \$650 per day or \$81.25 per hour. Additionally, the Uniform Guidance requires that salaries charged to federal awards be: (1) based on records that reflect the work performed; and (2) supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly recorded; and (3) distributed among other specific activities or cost objectives.

Award K050 included payments to consultants. We selected eight consultant transactions to test under this award, which totaled \$7,044. We reviewed the applicable consulting agreement, as well as supporting documents, for each expense.

We verified and reconciled four invoices based either a set consultant rate for hours worked or on a payment based on a milestone achievement.⁴ Consultant hourly rates comported with the consultant agreement and the \$650 per-day rate limit.

- One invoice for \$2,295 lacked support for the rate stipulated in the consultant contract. In this case, the consultant agreement-based pay rates on project milestones, but the invoice we reviewed billed the NCSC at a rate that was not consistent for the stated completed project milestone. As such, this

⁴ The contract between the NCSC and the contractor stipulated that payments were based on accomplishment of specific project milestones.

payment requires support demonstrating that the consultant achieved the required milestone, which we requested but the NCSC did not provide. As this information was not available, we question \$2,295 in unsupported consultant costs.

- Two invoices did not support the amount of work charged and lacked a breakdown of hourly rate or hours worked on the project. The consultant submitted both invoices under an agreement that set the rate of pay as a percentage of the consultant's annual salary, fringe benefits, and indirect costs. However, without detailing either the consultant's salary or the total number of hours the consultant worked on and charged to the project, the documents did not support these charges. Therefore, we question \$1,348 in unsupported consultant costs.

Adequate support for consultant costs helps to mitigate the risk of using award funds to pay for overstated or incorrectly charged fees. We recommend that OVW remedy a total of \$3,643 in unsupported consultant costs charged to award K050. Such a remedy should encompass working with the NCSC to ensure that its consultant agreements detail the salary information necessary to comply with award requirements.

Personnel Costs

To test NCSC's personnel costs for the four awards, we judgmentally selected payroll pertaining to 2 nonconsecutive pay periods for 26 employees, 4 nonconsecutive pay periods for an employee who had changed positions within the NCSC, and a pay period for a temporary employee. This sample design resulted in a total of 57 personnel transactions, each of which we compared financial records and employee timesheets to the costs to the OVW approved budgets.

We found five personnel timesheets without signature or adequate authorization. We also noted that several NCSC employees or job positions were not specified in the approved budgets, but NCSC charged their personnel costs to the awards. Because the awards' approved budget did not include these job positions, these personnel costs are not allowable without OVW approval. We recommend that OVW remedy a total of \$5,392 in unallowable personnel costs.

Travel Costs

The approved award budgets included travel funding for NCSC staff to attend numerous site visits, OVW meetings, and national conferences to advance the award objectives. As part of our testing, we judgmentally selected 10 NCSC employees for a total of 27 travel transactions. For awards K050, K030, and K033, we identified eight travel transactions charged to the grant to be either over the approved budgets, over the amount allowed by GSA rates, or not a part of the approved budget. While the value of the issues we identified were not material, we recommend that OVW require the NCSC to implement policies to ensure employee travel costs comply with grant requirements.

The NCSC used award K033 to make travel assistance grants to help cover state court administrator costs incurred to attend TA program events. Our testing thus included three of these travel assistance grants. However, as award K033's approved budget did not include travel assistance grants, the travel assistance awards were not allowable. We recommend that OVW remedy a total of \$4,342 in unallowable travel assistance costs.

Despite our determination that some costs were not allowable, we reviewed support for 18 transactions made under these three travel assistance grants. We identified that nine of the transactions did not comport with NCSC travel assistance grant guidance, particularly with regard to the allowability of fees charged to the grants and applicable GSA rates. The NCSC travel assistance award application establishes the maximum travel-related expense available for reimbursement as \$1,697 per individual with some cost limits on flights, local transportation, meals and incidentals, and lodging. However, NCSC travel assistance fund material does not mention to applicants these limits. The travel assistance recipients are thus unaware of the detailed conditions of their subaward. To address this concern, we recommend that OVV ensure the NCSC updates the travel assistance fund material to detail cost categories and restrictions, and properly submit the travel voucher along with supporting documentation.

Indirect Costs

Indirect costs are expenditures of an organization that are not readily assignable to a particular project but necessary to operate and perform the program. According to the Financial Guide, recipients that do not have an approved federal indirect cost rate may either negotiate an indirect cost rate with their cognizant federal agency or elect to charge a de minimis rate of 10 percent of modified total direct costs. During our review, we found that NCSC had a negotiated indirect cost rate with the U.S. Agency for International Development for 2015 but then the U.S. Department of State served as its cognizant agency from 2016 to 2019. NCSC indirect rate structure includes personnel costs, fringe costs, general and administrative costs, and overhead costs.

Our analysis focused on indirect costs associated with NCSC personnel and fringe benefit costs. We reconciled the indirect rate charged by the NCSC to the approved indirect cost rate and verified that it generally applied the approved rate based on the agreement.

Drawdowns

According to the Financial Guide, recipients and subrecipients must maintain an adequate accounting system and records to support all receipts of federal funds. If, at the end of the award period, recipients have drawn down funds in excess of expenditures, unused funds must be returned to the awarding agency.

The NCSC maintains procedures governing the drawing down of funds. The procedures stipulate that drawdowns may be performed monthly, but at least once a quarter. NCSC's Grants & Contracts Manager reviews and approves supporting documents for each drawdown request. As a best practice, we note that the NCSC updated its drawdowns process to account for operational changes as a result of the COVID-19 pandemic. We found that these procedures do not significantly deviate from the terms and conditions of the award as specified in the Financial Guide and that NCSC's total drawdowns equaled its total expenses for the four awards.

The performance periods of two of the four awards under audit—awards K050 and K054—elapsed in 2020. In May 2020, OVV de-obligated \$3,219 in remaining funds for award K050. As of February 2021, however, award K054 recorded a remaining balance of \$33,219. In its response to a draft of this report, the NCSC provided evidence that it had expended \$32,110 of these undrawn funds during the final quarter of award K054's performance period. An NCSC official separately confirmed that the NCSC was working with OVV to resolve a technical issue so NCSC could draw down these funds. As a result, only \$1,109 in funding was not

used to support the K054 award. Therefore, we recommend that OVW remedy \$1,109 in award funds to put to better use for the K054 award.

Conclusion and Recommendations

The NCSC adhered to tested awards special conditions, drawdowns, and single audit requirements. We also found that the NCSC achieved the stated goals and objectives of two concluded awards and, despite delays in part due to COVID-19 pandemic, appeared on track to achieve the objectives of the two ongoing cooperative agreements. However, the NCSC did not adhere to all tested award requirements and essential award conditions related to allowable and supported grant expenditures, and the monitoring and classifying of sub-awardees. In addition, the NCSC could not provide support: (1) for some tested FFRs, and (2) demonstrate adequate subrecipient and contractor oversight. Therefore, we provide 12 recommendations to OVW to address these deficiencies and improve NCSC stewardship of DOJ awards.

We recommend that OVW:

1. Ensure the NCSC adheres to its own policy, as well as DOJ and Uniform Guidance requirements, to monitor the programmatic activities of its subrecipients to guarantee work and activities undertaken are both timely and consistent with project goals and objectives.
2. Ensure that the NCSC implement policies to strengthen and ensure adherence to its subrecipient selection procedures and train employees on the proper sub-awardee classification.
3. Work with NCSC to ensure program performance activities are accurately collected, reviewed, and reported, as required by the Financial Guide.
4. Ensure that NCSC implement policies and procedures to guide accurate and supported quarterly financial reporting.
5. Remedy a total of \$22,413 in unsupported subrecipient personnel costs.
6. Remedy a total of \$3,643 in unsupported contractor costs.
7. Ensure that NCSC subrecipient and contractor agreements provide the necessary breakdown of costs to ensure compliance with the Uniform Guidance.
8. Remedy a total of \$5,392 in unallowable personnel costs.
9. Require the NCSC to implement policies to ensure employee travel costs comply with grant requirements.
10. Remedy a total of \$4,342 in unallowable travel assistance costs.
11. Ensure the NCSC updates the travel assistance fund material to detail cost categories and restrictions, and properly submit the travel voucher along with supporting documentation.

12. Remedy \$1,109 in award funds to put to a better use for the K054 award.⁵

⁵ As previously discussed, in response to a draft of this report OVW and NCSC provided evidence that it had identified an appropriate use for the funds identified in our audit, with the exception of the \$1,109 remaining in this recommendation.

APPENDIX 1: Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to determine whether the costs that the National Center for State Courts (NCSC) claimed under the Office on Violence Against Women (OVW) cooperative agreements were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and award terms and conditions; and to determine whether the NCSC demonstrated adequate progress towards achieving its 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 (GAGAS). 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.

The audit included NCSC activities stemming from the four Technical Assistance Initiative Grants (TA) Program cooperative agreements described in Table 1 in the body of this report. Our audit scope ranged from October 2015, the beginning of the earliest of these four awards, and continued through February 2021 unless otherwise specified. In total, the funds included in the four awards reviewed in this audit totaled \$1,147,435.

The 2017 DOJ Grants Financial Guide (Financial Guide) and the 2 CFR 200 (Uniform Guidance) and the award documents contain the primary criteria we applied during the audit. To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of the NCSC's activities related to the audited grants. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges, travel and subrecipient costs, financial reports, and progress reports. As referenced in our report, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. Our non-statistical sample design did not allow for us to project the test results to the universe from which the samples were selected.

During our audit, we obtained and relied on information from the Office of Justice Programs (OJP) Grants Management System (GMS), which OVW uses to administer its awards, as well as the NCSC's accounting system specific to the management of DOJ funds during the audit period.

Around October 2020, OJP transitioned to a new system, JustGrants, to replace GMS. As a result, NCSC and OIG access to GMS was limited. Therefore, to ascertain the level of remaining funds for closed awards 2015-TA-AX-K050 and 2016-TA-AX-K054, we relied on Grants Summary Data Reports derived from the Justice Department Enterprise Data and BI Portal (JEDI). Administered by the Justice Management Division, JEDI receives daily Unified Financial Management System updates. We did not test the reliability of those

systems as a whole, therefore, any findings identified involving information from those systems were verified with documentation from other sources.

As a result of the COVID-19 pandemic response, we performed audit fieldwork remotely. We nevertheless discussed our audit results with NCSC officials throughout the audit and at a formal virtual exit conference. We requested a response to our draft audit report from OVV and the NCSC.

Internal Controls

We performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of the NCSC to provide assurance on its internal control structure as a whole. The NCSC's management is responsible for the establishment and maintenance of internal controls in accordance with the Uniform Guidance. Because we do not express an opinion on the NCSC's internal control structure as a whole, we offer this statement solely for the information and use of the NCSC and OVV for external audits.⁶

In planning and performing our audit, we identified the following internal control components and underlying internal control principles as significant to the audit objective(s):

Internal Control Components & Principles Significant to the Audit Objectives
Control Environment Principles
The oversight body and management should demonstrate a commitment to integrity and ethical values.
Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.
Risk Assessment Principles
Management should consider the potential for fraud when identifying, analyzing, and responding to risks.
Control Activity Principles
Management should design control activities to achieve objectives and respond to risks.
Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
Management should implement control activities through policies.
Information & Communication Principles
Management should use quality information to achieve the entity's objectives.
Management should externally communicate the necessary quality information to achieve the entity's objectives.
Monitoring Principles
Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

We assessed the design, implementation, and operating effectiveness of these internal controls and identified deficiencies that we believe could affect the NCSC's ability to ensure compliance to applicable laws

⁶ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

and regulations. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

APPENDIX 2: Schedule of Dollar-Related Findings

Description	Award No.	Amount	Page
Questioned Costs:			
Unallowable Personnel Costs		\$5,392	12
	K050	\$94	
	K030	\$2,011	
	K033	\$3,287	
Unallowable Travel Assistance Program Costs	K033	4,342	12
Unallowable Costs		\$9,734	
Unsupported Contractor Costs	K050	\$3,643	12
Unsupported Subrecipient Personnel Costs	K054	22,413	11
Unsupported Costs		\$26,056	
Total Questioned Costs		\$35,790	
Funds to be Put to Better Use:			
As of 2/18/2021	K054	\$1,109	13
Total Funds to be Put to Better Use		\$1,109	
TOTAL DOLLAR-RELATED FINDINGS		<u>\$36,899</u>	

APPENDIX 3: The Office on Violence Against Women Response to the Draft Audit Report



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

April 15, 2021

MEMORANDUM

TO: John Manning
Regional Audit Manager

THROUGH: Nadine M. Neufville *KBM for NN*
Deputy Director, Grants Development and Management
Erin Lorah *EML*
Acting Deputy Director, Grants Financial Management Unit

FROM: Rodney Samuels *RS*
Audit Liaison/Staff Accountant

SUBJECT: Draft Audit Report – Audit of the Office on Violence
Against Women Grants Awarded to the National Center for State
Courts (NCSC), Williamsburg, Virginia.

This memorandum is in response to your correspondence dated March 11, 2021 transmitting the above draft audit report for the National Center for State Courts, Williamsburg, Virginia. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains 12 recommendations with \$69,009 in Total Questioned Costs. OVW is committed to addressing and bringing the open recommendations identified by your office to a close as quickly as possible. The following is our analysis of each OVW recommendation.

1. Ensure the NCSC adheres to its own policy, as well as DOJ and Uniform Guidance requirements, to monitor the programmatic activities of its subrecipients to guarantee work and activities undertaken are both timely and consistent with project goals and objectives.

Concur: OVW will coordinate with the NCSC to ensure the NCSC adheres to its own policy, as well as DOJ and Uniform Guidance requirements, to monitor the programmatic activities of its subrecipients to guarantee work and activities undertaken are both timely and consistent with project goals and objectives.

MEMORANDUM:

SUBJECT: Update – Audit of the Office on Violence Against Women (OVW) Grants Awarded to the National Center for States Court, Williamsburg, Virginia

2. Ensure that the NCSC implement policies to strengthen and ensure adherence to its subrecipient selection procedures and train employees on the proper sub-awardee classification.

Concur: OVW will coordinate with the NCSC to ensure the NCSC implements policies to strengthen and ensure adherence to its subrecipient selection procedures and train employees on the proper sub-awardee classification.

3. Work with NCSC to ensure program performance activities are accurately collected, reviewed, and reported, as required by the Financial Guide.

Concur: OVW will work with the NCSC to ensure program performance activities are accurately collected, reviewed, and reported, as required by the Financial Guide.

4. Ensure that NCSC implement policies and procedures to guide accurate and supported quarterly financial reporting.

Concur: OVW will coordinate with the NCSC to ensure the NCSC implements policies and procedures to guide accurate and supported quarterly financial reporting.

5. Remedy a total of \$22,413 in unsupported subrecipient personnel costs.

Concur: OVW will work with the NCSC to remedy the \$22,413 in unsupported subrecipient personnel costs.

6. Remedy a total of \$3,643 in unsupported contractor costs.

Concur: OVW will work with the NCSC to remedy the \$3,643 in unsupported contractor costs.

7. Ensure that NCSC subrecipient and contractor agreements provide the necessary breakdown of costs to ensure compliance with the Uniform Guidance.

Concur: OVW will coordinate with the NCSC to ensure the NCSC subrecipient and contractor agreements provide the necessary breakdown of costs to ensure compliance with the Uniform Guidance.

8. Remedy a total of \$5,392 in unallowable personnel costs.

Concur: OVW will work with the NCSC to remedy the \$5,392 in unallowable personnel costs.

9. Require the NCSC to implement policies to ensure employee travel costs comply with grant requirements.

Concur: OVW will coordinate with the NCSC to implement/update policies to ensure employee travel costs comply with grant requirements.

MEMORANDUM:

SUBJECT: Update – Audit of the Office on Violence Against Women (OVW) Grants Awarded to the National Center for States Court, Williamsburg, Virginia

10. Remedy a total of \$4,342 in unallowable travel assistance costs.

Concur: OVW will work with the NCSC to remedy the \$4,342 in unallowable travel assistance costs.

11. Ensure the NCSC updates the travel assistance fund material to detail cost categories and restrictions, and properly submit the travel voucher along with supporting documentation.

Concur: OVW will coordinate with the NCSC to ensure the NCSC updates the travel assistance fund material to detail cost categories and restrictions, and properly submit the travel voucher along with supporting documentation.

12. Remedy \$33,219 in award funds to a better use for the K054 award.

Do not concur: OVW does not agree that \$33,219 remain for de-obligation. The grantee provided supporting documentation to indicate that the amount needed to be de-obligated is \$1,109.66. They provided the final Financial Report in support of actual expenses in the amount \$248,890.34, including \$32,109.74 that still needs to be drawn down. The final Financial Report was submitted to OVW, via the JustGrants System, on 12/21/20 and demonstrates that there is only \$1,109.66 to be de-obligated. Please see attached link.

<https://nationalcenterforstatecourts.box.com/s/2n8tzxnr2illii1hib0n3vh9xpn179t>

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 Louise M. Duhamel, Ph.D.
Acting Director, Internal Review and Evaluation Office
Audit Liaison Group, Justice Management Division

Omar Mohammed
Program Manager
Office on Violence Against Women

Thelma Bailey
Program Assistant
Office on Violence Against Women

APPENDIX 4: The National Center for State Court's Response to the Draft Audit Report



A nonprofit organization improving justice through leadership and service to courts

Mary Campbell McQueen
President

Pamela M. Casey, Ph.D.
Vice President
Research
Williamsburg Office

March 31, 2021

John Manning
Regional Audit Manager
Washington Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
Jefferson Plaza
Washington, D.C. 20530

Dear Mr. Manning:

In response to the *Draft Audit Report: Audit of the Office on Violence Against Women Technical Assistance Awards to the National Center for State Courts*, we are providing additional information and documentation related to each of the 12 included recommendations.

1. Ensure the NCSC adheres to its own policy, as well as DOJ and Uniform Guidance requirements, to monitor the programmatic activities of its subrecipients to guarantee work and activities undertaken are both timely and consistent with project goals and objectives.

Response: NCSC has a policy stating it is responsible for monitoring the programmatic and financial activities of its subrecipients to ensure the proper stewardship of funds, and we agree to ensure that staff are aware of the policy and NCSC responsibilities for following it. The Vice President of Research will discuss the policy at the next Research Division meeting in April 2021, emphasizing that following the policy and completing the forms are requirements.

2. Ensure that the NCSC implement policies to strengthen and ensure adherence to its subrecipient selection procedures and train employees on the proper sub-awardee classification.

Response: While NCSC evaluated the two external entities noted at page 8 of the *Draft Audit Report* as contractors, not subrecipients, NCSC agrees to strengthen adherence and train employees regarding classification as noted in #1 above.

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3. Work with NCSC to ensure program performance activities are accurately collected, reviewed, and reported, as required by the Financial Guide.

Response: The NCSC agrees to ensure program performance activities as required by the Financial Guide. While the NCSC consistently issues award letters for those in the travel assistance program, two recipients were wait listed for one training program and subsequently assigned to another program, which may have contributed to the lack of award letters for these two isolated instances. NCSC includes the signed, approved, and paid travel vouchers for these two participants to substantiate the use of the funds (see <https://nationalcenterforstatecourts.box.com/s/jekyz2g3unrxhemtycvd486i0m38c3>).

4. Ensure that NCSC implement policies and procedures to guide accurate and supported quarterly financial reporting.

Response: NCSC agrees to continue following OVW policies, procedures, forms and consistently submit accurate quarterly financial reports.

5. Remedy a total of \$22,413 in unsupported subrecipient personnel costs.

Response: NCSC agrees to provide additional support for the \$22,413 subrecipient personnel costs referred to in the table below with the following information:

1. The timesheet from Battered Women's Justice Project for [REDACTED] (see <https://nationalcenterforstatecourts.box.com/s/pup3epg6cuhhoaiz20d4x6w9lxhnl3hr>, which provides hours worked, the formula for calculating labor, and the amount of fringe and indirect charged).
2. An email from the Fund for the City of NY (see <https://nationalcenterforstatecourts.box.com/s/gyt5jm28n885rxahrbbt795ke5gh2hjm>, which provides annual salary information as well as the formula for how labor is calculated).

Award	Item	Voucher Number	Budget Category	Amount	Questioned
2016-K054	Battered Women's Justice Project	V 131229	Subrecipient Personnel	\$473	\$473
2016-K054	Fund for the City of NY		Subrecipient Personnel	\$10,433	\$10,433
2016-K054	Fund for the City of NY		Subrecipient Personnel	\$11,507	\$11,507
Total Unsupported Subrecipient Personnel					\$22,413

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6. Remedy a total of \$3,643 in unsupported contractor costs.

Response: NCSC agrees to provide additional support for the \$3,643 contractor costs referred to in the table below with the following information:

1. An email from the Asian Pacific Institute on Gender-Based Violence responding to a request for [REDACTED] hourly rate (see <https://nationalcenterforstatecourts.box.com/s/bfa6j7xxy5gg8x2fqgqinx6oiyowmmq80>, which includes an explanation of how labor is calculated.)
2. [REDACTED] was contracted to perform voice-over work and follow-up edits. Her PSA was written for milestone payments of specific amounts, not to exceed a total of \$3,500. Module 3 was contracted at a cost of \$1,150. She invoiced and was paid \$2,295 for Module 3 because she charges on a per word basis rather than an hourly basis. Module 3 was 6,554 words, which is \$0.35 per word (this matches the agreed-upon per word amount). [REDACTED] received a total of \$3,120 for voice-over and editing services, which is within the overall amount of the \$3,500 contract.

Award	Item	Voucher Number	Budget Category	Amount	Questioned
2015-K050	Asian Pacific Institute on Gender-Based Violence	V 111469	Contractor	\$1,011	\$1,011
2015-K050	Asian Pacific Institute on Gender-Based Violence	V 116785	Contractor	\$337	\$337
2015-K050	[REDACTED]	V 120658	Contractor	\$2,295	\$2,295
Unsupported Contractor Costs					\$3,643

7. Ensure that NCSC subrecipient and contractor agreements provide the necessary breakdown of costs to ensure compliance with the Uniform Guidance.

Response: NCSC agrees to provide the necessary breakdown of costs to ensure compliance with the Uniform Guidance.

8. Remedy a total of \$5,392 in unallowable personnel costs.

Response: NCSC agrees to document its current practice regarding timesheet signature exceptions (reference timesheets of [REDACTED] 7/20/18 and [REDACTED] 9/27/19 in table below). Complete timesheets, including cut-off signature blocks in documents previously sent to OIG, are provided for [REDACTED] 6/9/17 and [REDACTED] 5/22/20 (see <https://nationalcenterforstatecourts.box.com/s/0y0ukwtu1ynbjwfl1fz6m8f93cdmd8zn>). The NCSC will submit a GAN to OVW to address staff not originally included in project

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budgets.

Award	Individual	Date(s)	Amount	Questioned
2015-K050		6/9/2017	\$40.80	\$40.80
2015-K050		7/20/2018	\$53.33	\$53.33
2017-K030		5/25/2018 and 8/31/2018	\$1,600.00	\$1,600.00
2017-K030		4/13/2018	\$70.00	\$70.00
2017-K030		8/2/2019 and 5/22/2020	\$341.41	\$341.41
2017-K033		12/21/2018 and 2/1/2019	\$396.22	\$396.22
2017-K033		5/24/2019 and 12/6/2019	\$720.00	\$720.00
2017-K033		7/5/2019 and 9/27/2019	\$625.13	\$625.13
2017-K033		2/14/2020 and 4/10/2020	\$1,168.72	\$1,168.72
2017-K033		3/27/2020 and 5/8/2020	\$376.73	\$376.73
Total Unallowable Personnel Costs				\$5,392

9. Require the NCSC to implement policies to ensure employee travel costs comply with grant requirements.

Response: NCSC disagrees because it has already implemented documented travel policies to ensure travel costs are in compliance with funding agency regulations.

10. Remedy a total of \$4,342 in unallowable travel assistance costs.

Response: The NCSC agrees to submit a budget modification to OVW to include a budget line specifically for the travel assistance program referred to in the proposal narrative (see section B. e) on page 8 of <https://nationalcenterforstatecourts.box.com/s/o8rquofp3vzgajtauukfc47hh6d2ogeu>).

11. Ensure the NCSC updates the travel assistance fund material to detail cost categories and restrictions, and properly submit the travel voucher along with supporting documentation.

Response: NCSC agrees to update the travel fund assistance material for any future travel assistance grants.

12. Remedy \$33,219 in award funds to a better use for the K054 award.

Response: NCSC does not agree that \$33,219 funds remain for de-obligation. NCSC provided the final financial report in support of actual expenses of \$248,890.34, including \$32,109.74 that still needs to be drawn down. The final financial report was submitted to OVW, via the JustGrants system, on 12/21/20 and demonstrates that there are only \$1,109.66 funds to be de-obligated (see <https://nationalcenterforstatecourts.box.com/s/2n8tzxnr2illii1hib0n3vh9xpnl79t>).

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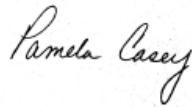
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Thank you for the opportunity to respond to the recommendations of the *Draft Audit Report*. We appreciate having the opportunity to provide further documentation of questioned costs and evidence of compliance with noted regulations. We look forward to your revised draft report and welcome any clarification or discussion, as necessary.

Sincerely,



Pamela Casey, Ph.D.
Vice President, Research



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APPENDIX 5: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Report

The 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 the National Center for State Courts (NCSC). OVW's response is incorporated in Appendix 3 and the NCSC's response is incorporated in Appendix 4 of this final report. In response to our draft audit report, OVW concurred with 11 but did not concur with 1 of the OIG's 12 recommendations. The NCSC agreed with 10 recommendations but did not agree with 2 recommendations. However, as OVW and NCSC's responses included additional information to address and resolve the recommendation that OVW did not concur with, we consider the overall report resolved. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for OVW:

- 1. Ensure the NCSC adheres to its own policy, as well as DOJ and Uniform Guidance requirements, to monitor the programmatic activities of its subrecipients to guarantee work and activities undertaken are both timely and consistent with project goals and objectives.**

Resolved. OVW concurred with our recommendation. OVW stated that it will coordinate with the NCSC to ensure that it adheres to its own policy, as well as DOJ and Uniform Guidance requirements, to monitor the programmatic activities of its subrecipients to guarantee work and activities undertaken are both timely and consistent with project goals and objectives.

The NCSC stated it has a policy stating it is responsible for monitoring the programmatic and financial activities of its subrecipients to ensure the proper stewardship of funds. The NCSC agrees to ensure that staff are aware of the policy and NCSC responsibilities for following it. Further, the NCSC stated that the Vice President of Research will discuss the policy at the next Research Division meeting in April 2021, emphasizing that following the policy and completing the forms are requirements.

This recommendation can be closed when OVW demonstrates that it has coordinated with the NCSC to ensure that it adheres to its own policy, as well as DOJ and Uniform Guidance requirements, to monitor the programmatic activities of subrecipients to guarantee work and activities undertaken are both timely and consistent with project goals and objectives.

- 2. Ensure that the NCSC implement policies to strengthen and ensure adherence to its subrecipient selection procedures and train employees on the proper sub-awardee classification.**

Resolved. OVW concurred with our recommendation. OVW stated that it will coordinate with the NCSC to ensure that it implements policies to strengthen and ensure adherence to its subrecipient selection procedures and train employees on the proper sub-awardee classification.

The NCSC stated that the two external entities served as contractors, not subrecipients. The NCSC agreed to strengthen adherence and train employees regarding classification.

This recommendation can be closed when we receive from OVW evidence that the NCSC updated policies and procedures for subrecipient determination and selection. Such policies and procedures should recognize how the NCSC, as a primary recipient of federal funds, must apply judgement to classify properly and oversee future subrecipient relationships (either subawardees or contractors). Additionally, OVW will need to provide evidence of implementation, distribution, and guidance of the updated policies and procedures to all applicable NCSC staff.

3. Work with NCSC to ensure program performance activities are accurately collected, reviewed, and reported, as required by the Financial Guide.

Resolved. OVW concurred with our recommendation. OVW stated that it will work with the NCSC to ensure program performance activities are accurately collected, reviewed, and reported, as required by the Financial Guide.

NCSC agreed with our recommendation. The NCSC stated that while they consistently issue award letters for those in the travel assistance program, two recipients were wait listed for one training program and subsequently assigned to another program, which may have contributed to the lack of award letters for the two isolated instances.

While we acknowledge the NCSC's support for the two travel assistance grants as a completed deliverable for award K033's progress report period ending December 2019, this recommendation can be closed when OVW demonstrates that it has worked with the NCSC to ensure program performance activities are accurately collected, reviewed, and reported, as required by the Financial Guide.

4. Ensure that NCSC implement policies and procedures to guide accurate and supported quarterly financial reporting.

Resolved. OVW concurred with our recommendation. OVW will coordinate with the NCSC to ensure that the NCSC implements policies and procedures to guide accurate and supported quarterly financial reporting.

The NCSC stated it will follow OVW policies, procedures, forms, and consistently submit accurate quarterly financial reports.

This recommendation can be closed when OVW provides evidence of updated NCSC policies and procedures for quarterly financial reporting and that such have been promulgated to applicable NCSC staff.

5. Remedy a total of \$22,413 in unsupported subrecipient personnel costs.

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with the NCSC to remedy the \$22,413 in unsupported subrecipient personnel costs.

The NCSC agreed to provide additional support for the \$22,413 subrecipient personnel costs that included hours worked by subrecipient, a formula that adequately allowed for the calculation of labor, the amount of fringe, and indirect costs charged to award K054. The NCSC additionally provided support for subrecipient's annual salary information, as well as a formula for how labor was calculated. We reviewed the documents that the NCSC submitted and will coordinate with OVW to obtain its determination on whether this evidence addresses this recommendation.

6. Remedy a total of \$3,643 in unsupported contractor costs.

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will work with the NCSC to remedy the \$3,643 in unsupported contractor costs.

The NCSC provided support for the contractor's hourly rate and an explanation of how labor was calculated for work conducted on award K050. Additionally, the NCSC provided an explanation of another contractor's Professional Services Agreement and noted that the contractor was paid on a word count basis rather than an hourly basis for voice-over and editing services for the K050 award.

We reviewed the documents that the NCSC submitted and will coordinate with OVW to obtain its determination on whether this evidence addresses this recommendation.

7. Ensure that the NCSC subrecipient and contractor agreements provide the necessary breakdown of costs to ensure compliance with the Uniform Guidance.

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will coordinate with the NCSC to ensure that its subrecipient and contractor agreements provide the necessary breakdown of costs to ensure compliance with the Uniform Guidance.

The NCSC agreed to provide the necessary breakdown of costs to ensure compliance with the Uniform Guidance.

This recommendation can be closed when OVW demonstrates that it has coordinated with the NCSC to ensure the NCSC subrecipient and contractor agreements provide the necessary breakdown of costs to ensure compliance with the Uniform Guidance.

8. Remedy a total of \$5,392 in unallowable personnel costs.

Resolved. OVW concurred with our recommendation. OVW will work with the NCSC to remedy the \$5,392 in unallowable personnel costs.

In its response, the NCSC agreed to document its current practice regarding timesheet signature exceptions and provided a copy of two timesheets with the proper approval and authorization. While one timesheet was fully supported and accepted, the other timesheet was for an employee or position that was not in the award's detailed budget.

This recommendation can be closed when OVW remedies \$5,392 in unallowable personnel costs.

9. Require the NCSC to implement policies to ensure employee travel costs comply with grant requirements.

Resolved. OVW concurred with our recommendation. OVW will coordinate with the NCSC to implement or otherwise update policies to ensure employee travel costs comply with grant requirements.

The NCSC disagreed with our recommendation. In its response, the NCSC stated it has already implemented documented travel policies to ensure travel costs are in compliance with funding agency regulations. Our audit reviewed the current travel policies and identified instances of travel expenditures that did not comply with grant requirements.

This recommendation can be closed when OVW provides evidence that NCSC updated policies and procedures of travel costs. Additionally, OVW will provide evidence of implementation, distribution, and guidance of the updated policies and procedures to applicable NCSC staff.

10. Remedy a total of \$4,342 in unallowable travel assistance costs.

Resolved. OVW concurred with our recommendation. OVW will work with the NCSC to remedy the \$4,342 in unallowable travel assistance costs.

The NCSC agreed with our recommendation. In its response, the NCSC agreed to submit a budget modification to OVW to include a budget line specifically for the travel assistance program referred to in the proposal narrative.

This recommendation can be closed when OVW remedies \$4,342 in unallowable travel assistance costs.

11. Ensure the NCSC updates the travel assistance fund material to detail cost categories and restrictions, and properly submit the travel voucher along with supporting documentation.

Resolved. OVW concurred with our recommendation. OVW will coordinate with the NCSC to ensure the NCSC updates the travel assistance fund material to detail cost categories and restrictions, and properly submit the travel voucher along with supporting documentation.

The NCSC agreed to update the travel fund assistance material for any future travel assistance grants.

This recommendation can be closed when we receive evidence of updated travel assistance fund materials to include detail cost categories and restrictions and properly submit a travel voucher along with supporting documentation. Additionally, OVW will provide evidence of implementation, distribution, and guidance of the updated policies and procedures to all applicable NCSC staff.

12. Remedy \$1,109 in award funds to put to better use for the K054 award.

Resolved. OVW did not concur with our draft report recommendation to remedy \$33,219. OVW stated in its response that the NCSC provided supporting documents to indicate that the amount needed to be de-obligated is \$1,109. The NCSC also disagreed with the recommendation and provided award K054's Final Financial Report in support of actual expenses in the amount \$248,890, including \$32,110 in additional spending that needed to be drawn down. We reviewed this documentation, which we did not have prior to issuing the draft report to OVW and NCSC, and determined it was responsive to address \$32,110 of the original recommendation, leaving \$1,109 in funds to be remedied. The NCSC stated in a separate correspondence that it had encountered a technical issue in drawing down remaining K054 funds. We have alerted OVW to this issue.

This recommendation can be closed once OVW has demonstrated that the \$1,109 in remaining K054 undrawn award funds have been remedied.