



Audit of Office of Justice Programs and Office
on Violence Against Women Grants Awarded to
Gaston County, North Carolina

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21-086

JUNE 2021



EXECUTIVE SUMMARY

Audit of Office of Justice Programs and Office on Violence Against Women Grants Awarded to Gaston County, North Carolina

Objectives

The Office of Justice Programs (OJP) and Office on Violence Against Women (OVW) awarded Gaston County Government (Gaston County) four grants totaling \$1,379,635 to provide aid and services to victims of sexual assault or domestic violence and to support a broad range of criminal justice related activities. 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 award; and to determine whether Gaston County demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded that Gaston County generally adhered to the grant requirements we tested. This audit did not identify significant concerns regarding Gaston County's financial management, budget management and control, drawdowns, expenditures, federal financial reports, or program performance.

Recommendations

Our report contained no recommendations. We requested a response to our draft report from OJP, OVW, and Gaston County. OJP's response can be found in Appendix 2. OVW and Gaston County declined to provide a response.

Audit Results

The purposes of the OJP and OVW grants we reviewed were to provide aid and services to victims of sexual assault or domestic violence and to support a broad range of criminal justice related activities. The project period for the grants is from October 2017 through September 2022. Gaston County drew down a cumulative amount of \$756,166 for all of the grants we reviewed.

Program Performance and Accomplishments

While we found that Gaston County achieved almost all of the grant goals and objectives we tested, the county was unsuccessful in hiring a therapeutic clinician, which was considered necessary to provide supervision and trauma-related services to crime victims. The position remained vacant because the county had difficulty in identifying suitable applicants. However, Gaston County had communicated to OJP its difficulty in filling the vacancy; therefore, we make no recommendation.

Grant Expenditures

We tested \$417,569 in grant transactions and found that the county expended \$7,827 in grant funds for unallowable overtime. During our audit, Gaston County obtained retroactive approval from OJP for the overtime costs; therefore, we make no recommendation. The remaining costs were supported, allowable, and properly allocated in compliance with award requirements.

Federal Financial Reports

Of the 15 federal financial reports Gaston County submitted to OJP and OVW that we tested, we found that 11 of the reports contained minor inaccuracies, which were mainly caused by the recoding and timing of transactions.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of four grants the Office of Justice Programs (OJP) and the Office on Violence Against Women (OVW) awarded to Gaston County, North Carolina. As shown in Table 1, the four grants totaled \$1,379,635.

Table 1

Select OJP and OVW Grants Awarded to Gaston County

Award Program and Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
OVW Transitional Housing Project for Late-Life Victims of Domestic and Sexual Assault (Transitional Housing Project) 2017-WH-AX-0057	OVW	9/19/2017	10/1/2017	9/30/2020	\$333,490
Edward Byrne Memorial Justice Assistance Grant Program 2018-DJ-BX-0252	OJP	10/1/2018	10/1/2017	9/30/2021	\$61,866
Project to Serve Children Who Have Been Impacted by the Opioid Crisis (Project to Serve Children) 2018-V3-GX-0043	OJP	9/25/2018	10/1/2018	9/30/2021	\$708,279
Law Enforcement-Based Victim Specialist (Victim Specialist Program) 2019-V3-GX-0062	OJP	9/30/2019	10/1/2019	9/30/2022	\$276,000
				Total:	\$1,379,635

Note: In September 2020, Gaston County received a supplemental award for the Transitional Housing Project for \$515,000 that expires in September 2023.

Source: OJP Grants Management System

The purpose of the Transitional Housing Project grant is to provide aid to victims of sexual assault, domestic violence, dating violence, and stalking who are homeless or in need of transitional housing or other housing assistance. The purpose of the Edward Byrne Memorial Justice Assistance Grant (JAG) Program grant is to support a broad range of criminal justice related activities based on their own state and local needs and conditions. The purpose of the Project to Serve Children grant is to provide funds to address an urgent gap in crime victim services related to the opioid epidemic and to expand upon existing or establish new programs to provide services to children and youth who are victimized as a result of the opioid crisis. The purpose of the Victim Specialist Program grant is to develop or enhance crime victim specialist programs within law enforcement agencies to better support victims through the criminal justice process.

Gaston County

Gaston County is in south-central North Carolina and is approximately 15 miles west of Charlotte. There are 15 towns in Gaston County with a combined population of 223,671.

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 Gaston County 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.

We tested compliance with what we consider to be the most important conditions of the grants. The DOJ Grants Financial Guide (Financial Guide) and the award documents contain the primary criteria we applied during the audit. The results of our analysis are discussed in detail later in this report. Appendix 1 contains additional information on this audit's objective, scope, and methodology.

Audit Results

Program Performance and Accomplishments

According to the Financial Guide, grant recipients must ensure that source documentation is available to support all data collected for each performance measure required by the grant program. To determine whether Gaston County demonstrated adequate progress towards achieving grant program goals and objectives, we reviewed performance and progress reports Gaston County submitted to OJP and OVW, interviewed Gaston County officials responsible for reporting program accomplishments, and assessed Gaston County's compliance with required grant award special conditions. Overall, we found that Gaston County demonstrated progress toward achieving the grant goals and objectives we tested.

Program Goals and Objectives

Transitional Housing Project

The goals of the Transitional Housing Project grant are to: (1) develop and implement a scattered site model of therapeutic transitional housing for victims; (2) provide victim support services that will ultimately enable survivors to move into permanent housing and live autonomous, independent, violence free lives; and (3) support clients in their transition to permanent housing.

To accomplish these grant goals, Gaston County stated in its grant application that:

- by the end of the first year, 90 percent of grant program referrals who meet eligibility and other requirements will reside in transitional housing;
- 80 percent of survivors residing in the program for 6 months or more who utilize support services will move into permanent housing upon exit of the grant program;
- 80 percent of survivors who exit the grant program will have either gainful employment or a designated source of income;
- all program participants will be provided 6 months of case management and advocacy services upon exit of the grant program and entry into permanent housing; and
- after 6 months, 70 percent of women will live independently in permanent housing.

To determine Gaston County's accomplishment of these goals, we tested certain milestones the county reported to OVW in the grant application, including (1) contacting clients monthly to provide support services after their transition to permanent housing, (2) monitoring and assisting clients' accessibility to transitional housing services, and (3) identifying clients ready to move into transitional housing. We determined that Gaston County accomplished the milestones.

JAG Program

The goal of the JAG Program grant is to purchase supply and equipment to reduce crime or enhance officer safety. To accomplish this goal, Gaston County stated that funding would be divided between the City of Gastonia, the Gaston County Police Department, and the Gaston County Sheriff's office. We determined that Gaston County demonstrated sufficient progress toward achieving the program goal.

Project to Serve Children

The goal of the Project to Serve Children grant is to support children and youth who are crime victims as a result of the opioid crisis.

To accomplish this goal, Gaston County stated in its grant application that it would:

- deliver information, services, and support to children and youth crime victims;
- build and implement a feedback system to further identify and define the scope of the community or jurisdiction-specific problem, victim needs, available resources and services, and remaining resource or service gaps; and
- establish and enhance a seamless, comprehensive, community driven, and multidisciplinary response to children and youth crime victims.

To determine Gaston County's accomplishment of these goals, we tested certain milestones the county reported to OJP in the grant application, including: (1) hiring a case manager to coordinate services and support for the program, (2) hiring two licensed therapeutic clinicians to provide direct services to victims, (3) hiring a community advocate or coordinator to supervise the development and dissemination of materials, and (4) providing trauma and communication services to ensure continuity of care for victims.

We determined that Gaston County successfully hired the case manager, one licensed therapeutic clinician, and a community advocate coordinator. However, we found that these officials did not begin working until 2 to 8 months after the date Gaston County projected that it would make the hires. A Gaston County official told us the late hires occurred because of a 5-month delay the county encountered obtaining grant budget approval from OJP. We found the explanation reasonable, and therefore, make no recommendation for the late hires.

Gaston County was unable to hire the second licensed therapeutic clinician, which was necessary to provide supervision and trauma-related services to victims. A Gaston County official told us a suitable hire could not be made because there were few qualified applicants and the interested applicants sought employment beyond the 3 years funded by the grant. The same official told us the county requested a Grant Award Modification (GAM) in January 2021 to reallocate the position from part-time to full-time, which was

intended to attract more qualified applicants.¹ The GAM was approved in March 2021. Because Gaston County communicated to OJP its difficulty in filling the clinician vacancy and has an approved modification to the county's hiring plan, we make no recommendation regarding the unmet milestone.

Victim Specialist Program

The goals of the Victim Specialist Program are to enhance existing advocacy services and minimize emotional and psychological stress. To accomplish this goal, Gaston County stated that it would:

- provide continuous advocacy services to crime victims;
- build and implement a feedback system to further identify and define the scope of the community or jurisdiction-specific problem, victim needs, available resources and services, and remaining resource or service gaps; and
- establish and enhance a comprehensive, community driven, and multidisciplinary response to domestic and family violence crime victims.

To determine Gaston County's accomplishment of these goals, we selected certain milestones the county reported to OJP in the grant application, including: (1) assessing the needs of victims and determining whether the program's community response efforts are meeting identified needs; (2) conducting conferencing with law enforcement and advocates to determine victim needs; (3) evaluating and collecting data and preparing reports to share publicly through the county's website, newspapers, and council meetings; (4) interact with stakeholders to meet the emerging needs of young victims; and (5) hiring two crisis response specialists to coordinate services and support for victims.

We determined that Gaston County accomplished the milestones we tested for this grant. However, we found that the county hired the crisis response specialists 2 to 3 months after the projected hire date. A Gaston County official told us delays were encountered because additional screening was involved to complete the hires. For the reasons provided previously, we make no recommendation for the late hires.

Required Performance Reports

According to the Financial Guide, grant recipients should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. To verify Gaston County's performance reports, we selected 21 performance measures from the 2 most recent performance reports submitted for the grants we reviewed. We then

¹ According to OJP online grant financial management guidance, a GAM is created to update the award details but is used only to modify a key fact or detail about the award. OJP "Grants Financial Management: Frequently Asked Questions," <https://www.ojp.gov/training-and-technical-assistance/tfsc/faq#faq-what-is-a-grant-award-modification-gam> (accessed June 16, 2021).

traced the measures to supporting documentation. We determined that the performance reports tested were adequately supported.

Compliance with Special Conditions

Special conditions are the terms and conditions that are included with the awards. We judgmentally selected for testing one special condition for the Project to Serve Children and the JAG Program and two special conditions for the Transitional Housing Project. Each selected condition was significant to performance under the grants and not addressed in another section of this report. Table 2 shows the special conditions we tested. We determined that Gaston County satisfied the special conditions.

Table 2

Special Conditions Tested for Gaston County Awards

Award Program	Special Condition	Special Condition Met?
Transitional Housing Project	The recipient agrees to attend and participate in OVW-sponsored technical assistance events to include, but not limited to, conferences, webinars, peer-to-peer consultations, and workshops.	Yes
Transitional Housing Project	The recipient agrees to provide support services for a minimum of 3 months, and no more than 12 months, after a victim has secured permanent housing.	Yes
JAG Program	The recipient agrees to submit a signed certification that all law enforcement agencies receiving body armor purchased with funds from this award have a written "mandatory wear" policy in effect.	Yes
Project to Serve Children	Within 90 days of the date of award, the grantee will submit for review and approval its policies and procedures established to maintain victim confidentiality. Additionally, the grantee must submit a signed, written certification that data	Yes

	privacy and sharing protocols comport with the confidentiality and privacy rights and obligations of federal law.	
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Source: OJP and OVV award documents and Gaston County Records

Grant Financial Management

According to the Financial Guide, all grant recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded. To assess Gaston County's financial management of the grants reviewed, we interviewed Gaston County officials, examined Gaston County's grant management policy and procedures, and reviewed grant documents to determine whether Gaston County adequately safeguarded the grant funds we audited. We also reviewed Gaston County's Single Audit Report for FY 2019, to identify internal control weaknesses and significant non-compliance issues related to federal awards. Finally, we performed testing in the areas that were relevant for the management of these grants. Overall, we found that Gaston County received \$7,827 in reimbursement for unallowable grant expenditures that were retroactively approved during our audit, and the county submitted 11 inaccurate federal financial reports.

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 2 C.F.R. 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (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.

We reviewed Gaston County's Comprehensive Annual Financial Report for fiscal year ended June 30, 2019, which includes the entity's most recent single audit. We identified no material weaknesses, significant deficiencies, or findings pertaining to federal programs.

Grant Expenditures

To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions for each grant by comparing the transactions to Gaston County's accounting records and supporting documentation. For the grants we audited, Gaston County was approved to expend grant funds for personnel, travel, supplies, equipment, and other costs.

Transitional Housing Project

We judgmentally selected for testing 20 transactions totaling \$233,558 or 79 percent of the \$296,754 in Transitional Housing Project grant funds spent at the time of the audit. We determined that 19 of the 20 transactions were properly supported, allowable, and properly allocated in compliance with grant award

requirements. For the remaining transaction, Gaston County could not support a \$197 rent expenditure that was a duplicate transaction and should not have been included in the reimbursement. Because we view the \$197 expenditure as immaterial, we make no recommendation.

JAG Program

We judgmentally selected for testing 12 transactions totaling \$53,387 or 100 percent of JAG Program grant funds spent at the time of the audit. We determined that all transactions were properly supported, allowable, and properly allocated in compliance with grant award requirements.

Project to Serve Children

We judgmentally selected for testing 30 transactions totaling \$106,028 or 49 percent of the \$217,158 in Project to Serve Children grant funds spent at the time of the audit. We determined that all transactions were properly supported, allowable, and properly allocated in compliance with award requirements.

Victim Specialist Program

We judgmentally selected for testing 28 transactions totaling \$24,596 or 99 percent of the \$24,631 in Victim Specialist Program grant funds spent at the time of the audit. We determined that 24 of the 28 transactions were properly supported, allowable, properly allocated in compliance with grant award requirements. The remaining four transactions, which totaled \$2,311, were for overtime costs charged by the county's Victim Specialists. Such overtime costs were not included in the approved grant budget. We later identified additional overtime costs that totaled \$7,827. In January 2021, Gaston County requested that OJP retroactively approve the costs, and the approval was granted in February 2021. Because these overtime costs fall within OJP's retroactive approval authority, we make no recommendation for the unallowable overtime costs.

Budget Management and Control

According to the Financial Guide, grant recipients are responsible for establishing and maintaining an adequate accounting system, which includes the ability to compare actual expenditures or outlays with budgeted amounts for each award. Additionally, the grant recipient must initiate a Grant Adjustment Notice (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. The 10-percent rule does not apply to grant amounts below \$150,000.

For the four grants tested, we compared Gaston County's grant expenditures to its approved budgets to determine whether the county transferred budgeted funds in excess of 10 percent. For the Transitional Housing Project, Project to Serve Children, and Victim Specialist grants, transferred funds were less than 10 percent. For the JAG Program grant, the 10-percent rule did not apply because the grant amount was less than \$150,000.

Drawdowns

According to the Financial Guide, an adequate accounting system should be established to maintain

documentation to support all receipts of federal funds. If, at the end of the grant award, grant recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. We interviewed the Gaston County officials responsible for drawing down grant funds. Drawdowns are prepared monthly to reimburse the county for expenses incurred. As of January 2021, Gaston County had drawn down \$333,490 from the Transitional Housing Project grant. As of December 2020, Gaston County had drawn down \$61,866 from the JAG Program grant; \$288,605 from the Project to Serve Children grant; and \$72,205 from the Victim Specialist Program grant.

An official prepares a periodic expense report that contains supporting documentation from Gaston County's accounting system or the subgrantee. Gaston County then sends the report to the subgrantee for review. Afterwards, the drawdown request is submitted to Gaston County's Finance Department. To assess whether Gaston County managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records. We did not identify any deficiencies related to Gaston County's process for developing drawdown requests.

Federal Financial Reports

According to the Financial Guide, grant recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each federal financial report (FFR) as well as cumulative expenditures. To determine whether Gaston County submitted accurate FFRs, we compared the four most recent reports for the Transitional Housing, JAG, and Project to Serve Children grant programs and the three most recent reports for the Victim Specialist grant program to Gaston County's accounting records. We found that the accounting records did not match for 11 of the 15 FFRs we reviewed. Table 3 provides an overview of the differences identified for each grant and report.

Table 3

Federal Financial Reports Reviewed

Award Program	Reporting Period	Expenditures Report on FFR	Expenditures Recorded in Accounting Records	Difference
Transitional Housing Project	04/1/2019 - 06/30/2019	\$43,072	\$56,925	(\$13,853)
	07/1/2019 - 09/30/2019	37,900	24,047	13,853
	10/1/2019 - 12/31/2019	50,866	44,249	6,617
	01/1/2020 - 03/31/2020	18,092	18,719	(627)
	Total:	\$149,930	\$143,940	\$5,990
JAG Program	04/1/2019 - 06/30/2019	\$13,178	\$13,718	\$0
	07/1/2019 - 09/30/2019	313	313	0
	10/1/2019 - 12/31/2019	30,255	0	30,255
	01/1/2020 - 03/31/2020	1,019	1,019	0
	Total:	\$44,765	\$15,050	\$27,715
Project to Serve Children	04/1/2019 - 06/30/2019	\$47,947	\$52,181	(\$4,234)
	07/1/2019 - 09/30/2019	52,390	40,427	11,963
	10/1/2019 - 12/31/2019	43,693	31,664	12,029
	01/1/2020 - 03/31/2020	45,579	94,315	(48,736)
	Total:	\$189,609	\$218,587	(\$28,978)
Victim Specialist Program	10/1/2019 - 12/31/2019	\$0	\$0	\$0
	01/1/2020 - 03/31/2020	12,108	2,751	9,357

	04/1/2020 - 06/30/2020	26,319	40,984	(14,665)
	Total:	\$38,427	\$43,735	(\$5,308)

Source: OIG Analysis of Gaston County records and the Grants Management System

Transitional Housing Project

Each of the four FFRs we tested for the Transitional Housing Project were inaccurate. For the reporting period ending June 30, 2019, Gaston County received an invoice in the amount of \$13,853 after the FFR submission deadline and that led to an underreporting. The invoice was accounted for in the subsequent FFR (September 30, 2019), which led that FFR to be overreported. For the reporting period ended December 31, 2019, a \$6,617 expense incurred during the period was not recorded by Gaston County in its accounting records until January 14, 2020, and that led to an overreporting in the FFR. For the reporting period ended March 31, 2020, a \$5,989 expense incurred during the period was not recorded by Gaston County in the accounting records until April 17, 2020, and that led to an underreporting. Because the inaccurate FFRs were caused by timing differences between the dates of the invoices and the recording of expenses, we make no recommendation.

JAG Program

One of the four FFRs we tested for the JAG Program was inaccurate. For the reporting period ended December 31, 2019, Gaston County reported \$30,255 for an x-ray scanner ordered in October 2019.

The county recorded the expense in its accounting records in April 2020 and that led to an overreporting for the period ended December 31, 2019. Because the overreporting was caused by a timing difference between the equipment's receipt and recording in the accounting records, we make no recommendation.

Project to Serve Children

Each of the four FFRs we tested for the Project to Serve Children grant were inaccurate. We found that the total amount identified in the FFRs for the Project to Serve Children was less than Gaston County's actual expenses. We were told the differences related to healthcare expenses erroneously charged to the grant by an accounting system error. The error was later corrected. The county experienced another accounting system error that involved personnel charges that was corrected in April 2020. Because Gaston County identified and corrected these errors, we make no recommendation.

Victim Specialist Program

Two of the three FFRs we tested for the Victim Specialist Program were inaccurate. We found that the total amount identified in the FFRs was less than Gaston County's actual expenses. A County official told us that the inaccuracy apparently resulted from a personnel coding error discovered and subsequently corrected in April 2020. Because Gaston County identified and corrected the error, we make no recommendation.

We presented the inaccuracies for each program discussed above to Gaston County and discussed the county's policies and procedures for ensuring submitted FFRs are accurate. The county provided us detailed documentation supporting the differences in each report. The inaccurate FFRs were due to the recoding of transactions charged to the grants in error and the timing of the documentation received to report on the FFRs. Additionally, a Gaston County official told us the county's written policies and procedures require

grant funds to be requested on a reimbursement basis and that proof of payment is required before funds are drawn down. Gaston County uses a series of financial reports to determine which expenditures to report on the FFR. Based on Gaston County's explanation, we make no recommendation for the inaccurate FFRs.

Conclusion

As a result of our audit testing, we conclude that Gaston County generally demonstrated adequate progress toward achieving what we consider to be the most important conditions of the grants we audited. We found that Gaston County generally complied with all essential award conditions related to financial management, budget management and control, drawdown process, expenditures, federal financial reports, and program performance.

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 four grants awarded to Gaston County, North Carolina (Gaston County) by the Office of Justice Programs (OJP) and the Office on Violence against Women (OVW). These four grants are:

- the Transitional Housing Project for Late-Life Victims of Domestic and Sexual Assault grant (Grant Number 2017-WH-AX-0057);
- the Edward Byrne Memorial Justice Assistance Grant Program (Grant Number 2018-DJ-BX-0252);
- the Project to Serve Children Who Have Been Impacted by the Opioid Crisis grant (Grant Number 2018-V3-GX-0043); and
- the Law Enforcement-Based Victim Specialist grant (Grant Number 2019-V3-GX-0062).

As of September 11, 2020, Gaston County was awarded a total of \$1,894,635 for these four grants.² Our audit concentrated on, but was not limited to October 1, 2017, the beginning date of the award period for Grant Number 2017-WH-AX-0057, through November 13, 2020, the last day of our audit work. To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of Gaston County's grant activities. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges, financial reports, progress reports. In this effort,

² In September 2020, Gaston County received a supplemental award for the Transitional Housing Project grant for \$515,000 that expires in September 2023. Our audit work concentrated on Gaston County's initial Transitional Housing Project grant, JAG Program grant, Project to Service Children grant, and Victim Specialist Program grant totaling \$1,379,635. We performed no audit work on the supplemental award.

we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants we reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The Department of Justice (DOJ) Grants Financial Guide and the award documents contain the primary criteria we applied during the audit.

We obtained information from OJP’s Grants Management System, as well as Gaston County’s 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 were verified with documentation from other sources. We discussed our audit results with Gaston County officials throughout the audit and at a formal exit conference.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of Gaston County to provide assurance of its internal control structure as a whole. Gaston County management is responsible for the establishment and maintenance of internal controls in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Because we do not express an opinion on Gaston County’s internal control structure as a whole, we offer this statement solely for the information and use of the Gaston County, OJP, and OVW.³

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
Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity’s objectives.
Management should demonstrate a commitment to recruit, develop, and retain competent individuals.
Management should evaluate performance and hold individuals accountable for their internal control responsibilities.
Information & Communication Principles
Management should use quality information to achieve the entity’s objectives.

We assessed the implementation of these internal controls and did not identify deficiencies that we believe could affect Gaston County’s ability to manage and administer its DOJ grant awards. However, because our

³ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

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: The Office of Justice Programs Response to the Draft Audit Report



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

May 13, 2021

MEMORANDUM TO: Ferris B. Polk
Regional Audit Manager
Atlanta Regional Audit Office
Office of the Inspector General

FROM: Ralph E. Martin
Director *Ralph E. Martin*

SUBJECT: Response to the Draft Audit Report, *Audit of Office of Justice Programs and Office on Violence Against Women Grants Awarded to Gaston County, North Carolina*

This memorandum is in response to your correspondence, dated May 5, 2021, transmitting the subject draft audit report for Gaston County, North Carolina. The draft audit report does not contain any recommendations directed to the Office of Justice Programs (OJP). OJP has reviewed the draft audit report and does not have any comments.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Jeffery A. Haley, Deputy Director, Audit and Review Division, on (202) 616-2936.

cc: Maureen A. Henneberg
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