



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



**Audit of the
Office on Violence Against Women
Awards to Shalom Task Force
New York, New York**

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN
AWARDS TO SHALOM TASK FORCE
NEW YORK, NEW YORK**

EXECUTIVE SUMMARY

The U.S. Department of Justice, Office of the Inspector General, Audit Division, has completed an audit of the Office on Violence Against Woman (OVW) grant, number 2009-WL-AX-0011, and cooperative agreement, number 2010-KS-AX-K002, awarded to Shalom Task Force of New York, New York. The total amount awarded to Shalom Task Force for the awards we audited was \$1,451,921. The objectives of the awards were to provide civil legal services to members of the Orthodox Jewish community and to operate a sexual assault specific hotline that serves the Orthodox Jewish community.

The objective of our audit was to determine whether reimbursements claimed for costs under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the awards. We also assessed Shalom Task Force's program performance in meeting the award objectives and overall accomplishments.

We found Shalom Task Force had deficiencies in its award financial management. Specifically, our audit found Shalom Task Force lacked drawdown procedures, charged the awards based on estimated personnel expenses, did not adequately monitor consultants and contractors, submitted inaccurate financial reports, and did not comply with all of the award special conditions.

As a result of these findings, we make eight recommendations to remedy the findings identified during this audit and improve Shalom Task Force's ability to effectively manage the awards, which are detailed in the Findings and Recommendations section of the report. Our audit objective, scope, and methodology are located in Appendix 1.

We discussed the results of our audit with Shalom Task Force officials and have included their comments in the report, as applicable. Additionally, we requested a response to our draft report from Shalom Task Force and OVW, and their responses are appended to this report at Appendix 2 and 3, respectively. Our analysis of both responses, as well as a summary of actions necessary to close the recommendations can be found in Appendix 4 of this report.

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INTRODUCTION

The U.S. Department of Justice Office of the Inspector General, Audit Division, has completed an audit of two Office on Violence Against Women (OVW) awards to Shalom Task Force, located in New York, New York. The awards were provided through the OVW FY 2009 Legal Assistance for Victims Program and the OVW FY 2010 Sexual Assault Services Program: Grants to Culturally Specific Programs.¹ As shown below, OVW awarded Shalom Task Force a total of \$1,451,921 for the two awards.

Table 1

Office on Violence Against Women Awards to Shalom Task Force

Award Number	Award Start Date	Award End Date	Award Amount
2009-WL-AX-0011	10/1/2009	9/30/2015	\$1,151,921
2010-KS-AX-K002	9/1/2010	8/31/2014	\$300,000
Total:			\$1,451,921

Source: OVW

The stated purposes of the awards were to: (1) increase outreach to the Orthodox and immigrant Jewish community; (2) increase the capacity of the Shalom Task Force hotline to serve victims of sexual assault; and (3) provide victim advocacy and comprehensive holistic legal services to victims of domestic violence, sexual assault, stalking and/or dating violence either through direct representation in family law matters such as divorce, child custody and/or child support, immigration, administrative agency and housing matters and other similar legal matters arising as a consequence of the abuse or violence.

The purpose of our audit was to determine whether reimbursements claimed for costs under the award were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the awards. We also assessed Shalom Task Force’s program performance in meeting award objectives and overall accomplishments.

¹ The report will refer to the 2009-WL-AX-0011 grant and the 2010-KS-AX-K002 cooperative agreement as awards.

Office on Violence Against Women

The mission of the Office on Violence Against Women (OVW), a component of the Department of Justice, is to provide federal leadership in developing the nation's capacity to reduce violence against women and administer justice for and strengthen services to victims of domestic violence, dating violence, sexual assault, and stalking. To accomplish its mission, OVW awards grants and cooperative agreements to organizations such as Shalom Task Force through programs such as the Legal Assistance for Victims grant and the Sexual Assault Services cooperative agreement program discussed below.

Legal Assistance for Victims Grant Program

According to the award documentation, the Legal Assistance for Victims Grant Program, grant number 2009-WL-AX-0011, began as a set aside from the STOP Violence against Women Formula Grants Program and was statutorily created in the reauthorization of the *Violence Against Women Act of 2000*, and was further reauthorized in the *Violence Against Women and Department of Justice Reauthorization Act of 2005*. According to the award documentation, the program is designed to strengthen civil and criminal legal assistance programs for adult and youth victims of domestic violence, dating violence, sexual assault, and stalking who are seeking relief in legal matters arising as a consequence of that abuse or violence.

According to its award application, Shalom Task Force would collaborate with Legal Services of New York City – Brooklyn Branch to provide comprehensive civil legal and support services to at least 240 Jewish victims of domestic violence in New York City. According to the award documentation, Shalom Task Force intended to: (1) refer clients to Legal Services of New York City – Brooklyn Branch for civil legal services; (2) hire a victim advocate to accompany victims to court; and (3) develop and distribute a brochure outlining the services offered by the project partners.

Sexual Assault Services Program: Grants to Culturally Specific Programs

According to the award for the Sexual Assault Services Program, cooperative agreement number 2010-KS-AX-K002 was created by the *Violence Against Women and Department of Justice Reauthorization Act of 2005*, 42 U.S.C. §14043 g, and was the first federal funding stream solely dedicated to the provision of direct intervention and related assistance for victims of sexual assault.² According to the award documentation, culturally specific community-based organizations are more likely to understand the complex, multi-layered challenges and obstacles that victims from their communities face when attempting to access services in response to the sexual assault.

² The distinguishing factor between a grant and cooperative agreement is the degree of federal participation or involvement during the performance of work activities.

According to its award, Shalom Task Force intended to target the Orthodox and immigrant Jewish communities by providing sexual assault victims and their loved ones culturally relevant sexual assault services. According to the award documentation, Shalom Task Force intended to: (1) increase outreach to the Orthodox and immigrant Jewish community; (2) increase the capacity of the Shalom Task Force hotline to serve victims of sexual assault; (3) conduct volunteer trainings for the Beth Israel Medical Center to increase the number of available advocates that are culturally knowledgeable; and (4) extend the hours of operation of the Beth Israel Medical Center hotline.

Shalom Task Force

Shalom Task Force was founded in 1992 when members of the Jewish community came together to address the issue of domestic abuse. According to its website, Shalom Task Force is incorporated as a nonprofit organization and its funding comes from grants and individual donations. Shalom Task Force is an agency whose aims are to help women and families struggling with troubled relationships at home, to sensitize the communities so that woman can feel less ashamed to ask for help, and to offer professional guidance and pointers to Rabbis who may be approached for advice by someone in a complex and possibly dangerous situation.

Our Audit Approach

The purpose of this audit was to determine whether reimbursements claimed for costs under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the awards; and whether the awardee was meeting its program goals and objectives. The objective of our audit was to assess performance in the key areas of award management that are applicable and appropriate for the awards under review. These areas include: (1) award financial management, (2) award expenditures, (3) drawdowns, (4) budget management and control, (5) financial and progress reports, (6) monitoring of contractors, (7) program performance and accomplishments, and (8) compliance with special conditions. Unless otherwise stated in the report, we used the OVW Financial Grants Management Guide (OVW Financial Guide), 28 CFR Part 70, and the award documents to assess Shalom Task Force's performance and compliance with the requirements of the awards. Specifically, we tested what we believed to be critical requirements necessary to meet the objectives of the audit, including:

- **award financial management** to determine whether the internal controls in place for the processing and payment of funds were adequate to safeguard the funds awarded to Shalom Task Force, and to ensure compliance with the terms and conditions of the awards;
- **drawdowns** to determine whether drawdowns were adequately supported and if Shalom Task Force was managing receipts in accordance with federal requirements;

- **award expenditures** to determine if costs charged to the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the awards;
- **budget management and control** to ensure that Shalom Task Force appropriately tracked costs to approved budget categories;
- **reporting** to determine if the required federal financial reports and progress reports accurately reflected the activity of the awards;
- **monitoring of contractors** to determine if Shalom Task Force adequately monitored its contractors;
- **program performance and accomplishments** to determine whether Shalom Task Force had met the award objectives; and
- **compliance with special conditions** to determine whether Shalom Task Force had complied with special conditions.

We determined that program income, matching costs, and indirect costs were not applicable to these awards. The results of our analysis are discussed in detail in the Findings and Recommendations section of the report. Appendix 1 contains additional information on our objective, scope, and methodology.

FINDINGS AND RECOMMENDATIONS

We determined that Shalom Task Force did not comply with all of the award requirements in the areas we tested. Specifically, we found Shalom Task Force: (1) had deficiencies in its financial management of the awards; (2) lacked written drawdown procedures; (3) charged the awards based on estimated personnel expenses; (4) did not require consultant time and effort reports or provide justifications for consultant rates; (5) had lodging expenses in excess of the approved federal rate; (6) submitted inaccurate financial reports; (7) did not properly monitor contractors or consultants, and (8) did not comply with all of its award special conditions. These conditions, including the underlying causes and potential effects on program performance, are further discussed in the body of this report. Based on our audit results, we make eight recommendations to address these areas needing management improvement.

Award Financial Management

Overall, we identified internal control deficiencies that warrant the attention of Shalom Task Force's management for necessary corrective action. The control weaknesses we identified impair Shalom Task Force's ability to maintain effective control and accountability over federal funds. We determined the general cause of Shalom Task Force's internal control deficiencies was a lack of written financial policies and procedures for the fiscal administration of the awards.

According to the OVW Financial Guide, award recipients are responsible for establishing and maintaining an adequate system of accounting and internal controls. The absence of an adequate and effective internal control environment leaves award funds at risk for fraud waste and abuse as well as weakens the ability of the recipient to ensure that federal funds are being spent in accordance with the terms and conditions of the award.

While our audit did not assess Shalom Task Force's overall system of internal controls, we did review the internal controls of Shalom Task Force's financial management system specific to the administration of the audited awards during the periods under review. We developed an understanding of the financial and accounting systems related to the internal controls Shalom Task Force used to ensure it complied with the terms and conditions of the awards. We interviewed Shalom Task Force officials and requested financial reporting and accounting system data to determine if the controls were adequate to separately account for and maintain award funds. In reviewing Shalom Task Force's internal controls specific to the awards, we also assessed whether policies and procedures were in place to guide Shalom Task Force in safeguarding award funds and administering the awards. Overall, we identified internal control deficiencies including:

- Shalom Task Force did not have written procedures for cost allocation, invoice payment, invoice verification, travel, budget monitoring, Federal Financial Report (FFR) preparation, contractor monitoring, procurement or drawdowns. In our judgment, lack of written procedures could impair Shalom Task Force's continuity of financial operations in the event of staff turnover.
- Shalom Task Force lacked written conflict of interest policies and procedures which were required by the OVW Financial Guide.
- Shalom Task Force applied an inconsistent cost allocation methodology to award expenditures.
- Shalom Task Force relied on budget estimates to make personnel and fringe benefit charges to the awards rather than actual employee timesheets, which is prohibited by 2 CFR Part 230, Cost Principles for Non-Profit Organizations.
- Shalom Task Force did not rely on its approved budget as the foundation of its financial system as required by the OVW Financial Guide.
- Shalom Task Force's accounting records were retained at the home of a Shalom Task Force board member and therefore were not onsite for managerial review.
- Shalom Task Force relied on both the cash and accrual basis of accounting to prepare FFRs. Accordingly, we found Shalom Task Force's FFRs to be inaccurate and OVW's financial monitoring of the awards was impaired.
- Drawdown requests were not conducted in accordance with OVW guidance that required drawdown funds to be spent within 10 days and were not conducted using written drawdown procedures (See Report Drawdown Section).

These deficiencies impair Shalom Task Force's ability to maintain effective control and accountability over federal funds. Our audit determined the primary cause of these deficiencies was Shalom Task Force's lack of written financial policies and procedures for the fiscal administration of the awards. As a result, we recommend that OVW ensure that Shalom Task Force develops and implements policies and procedures that ensure accountability over federal funds.

Award Expenditures

In testing personnel and fringe benefit expenditures, we found Shalom Task Force did not follow OVW policy and will need to change the method for allocating personnel and fringe costs to the awards. In testing non-personnel expenditures, we found transactions that were unallowable because they were not adequately supported, improperly classified, or did not comply with applicable federal travel regulations. However, because the dollar amounts of these transactions was not

significant, we did not identify any questioned costs in our review, but instead discuss further below that the control weaknesses and administrative non-compliance identified warrants the attention of Shalom Task Force management for corrective action.

Personnel and Fringe Benefit Expenditures

We found that the personnel and fringe benefit charges we tested were within the amounts approved by OVW in the award budgets or grant adjustment notices. We determined that the timesheets that we tested had sufficient evidence of supervisory approval. However, we found that Shalom Task Force used budgeted amounts to charge personnel and fringe to the awards, with quarterly reallocations of award funds as needed. Specifically, we found the amount of award-related time recorded on timesheets was close to the amount charged to the awards for those time periods selected.

In performing our testing of personnel transactions, Shalom Task Force provided us with a list of personnel and fringe benefit expenditures. Shalom Task Force charged a total of \$399,383 of personnel and \$39,782 of fringe benefits to the 2009-WL-AX-0011 award and \$118,966 of personnel and \$15,041 of fringe benefits to the 2010-KS-AX-K002 award, as of July 2014. We tested a sample of expenditures to determine if personnel and fringe benefit expenditures were charged correctly in accordance with the budget, properly authorized, accurately recorded, and properly allocated in Shalom Task Force's accounting system.

During our fieldwork, we were informed that Shalom Task Force requested guidance for accounting for personnel costs from OVW and was provided 2 CFR Part 225, Cost Principles for State, Local, and Indian Tribal Governments as guidance. However, this guidance does not pertain to the Shalom Task force as it is a non-profit organization. The correct guidance should have been 2 CFR Part 230, Cost Principles for Non-Profit Organizations. The guidance provided by OVW allows for the use of budgeted salaries with reallocation quarterly. The guidance for non-profits requires the distribution of salaries and wages to awards be supported by personnel activity reports, and these reports must reflect an after-the-fact determination of the actual activity of each employee and budget estimates do not qualify as adequate support for charges to awards.

In addition, the 2013 OVW Financial Grants Management Guide states where salaries apply to the execution of two or more grant programs, proration of costs to each activity must be made based on time and effort reports. These reports should reflect an after-the-fact distribution of the actual activity of each employee, account for the total activity of each employee, be prepared at least monthly, coincide with one or more pay periods, and be signed by the employee. These reports should also be reviewed and approved on a regular basis by a supervisory official having first-hand knowledge of the work performed.

As discussed above, we found that Shalom Task Force charged award-funded personnel expenses based on budgeted amounts rather than actual charges as

required. In our review of sampled personnel costs charged to the awards, we found that some charges were more than actual, some were less, and some were accurate. In total the differences were minimal, and expanded testing of the personnel costs was determined unnecessary. However, we do recommend Shalom Task Force develop and implement policies and procedures that ensure personnel and fringe charged to the awards are based on actual time spent on award-related activities.

In October 2014, Shalom Task Force management told us it had changed the procedures for charging personnel to awards. The percentage of personnel charges allocated to awards will be based on a monthly timesheet. We did not test the new system for charging personnel to awards because it was not fully implemented at the time of our fieldwork. However, based on what we were told by Shalom Task Force, it appears that the new procedure may meet the requirements of the OVW Financial Grants Management Guide provided the system is fully implemented and works as intended.

Non-Personnel Direct Costs

For the two OVW awards, Shalom Task Force spent a total of \$599,533 in direct costs, excluding personnel and benefits, as of mid-July 2014. These direct costs included payments made to contractors and consultants, as well as charges for travel, training and conferences, telephone service, advertising, and supplies. We found transactions that were not adequately supported, improperly classified, unallowable, or charges that did not comply with applicable federal travel regulations. Because these charges were not significant, we did not identify any questioned costs in our review, however, the control weaknesses and administrative non-compliance we identified associated with these charges warrant the attention of Shalom Task Force management for corrective action.

To determine if the award expenditures we reviewed were allowable, we compared the expenditures to the award budgets and permissible uses of funds outlined in the OVW Financial Guide. Our transaction testing sample covered a cross-section of Shalom Task Force's award expenditures; specifically we tested transactions for contractors, consultants, and travel. To determine if the expenditures were supported, we reviewed accounting system data and supporting documents such as invoices, receipts, and timesheets.

During testing, we found two transactions of small dollar amounts that were not supported by adequate source documentation. We found six transactions that were not classified correctly in the accounting records. In one instance, we found Shalom Task Force classified a travel expense as supplies, a category that was not included in Shalom Task Force's OVW approved budget. As discussed in the award financial management section of the report, we recommend that Shalom Task Force develop and implement policies and procedures to enhance its accountability over federal funds.

In addition, according to the OVW Financial Guide, time and effort reports are also required for consultants, as well as justification of consultant rates in accordance with market value. We found the award-related consultant expenses were not supported by time and effort reports or justification for rates as required. According to a Shalom Task Force official, this was due to an oversight in procedures. Lack of time and effort reports and justification for consultant rates can lead to a lack of consultant monitoring. We recommend Shalom Task Force develop and implement procedures to document time and effort reports and justification of consultant rates in accordance with market value.

We also tested award-related travel expenditures. The OVW Financial Guide states if a recipient does not have a written travel policy, the recipient must abide by federal travel regulations. We were told by Shalom Task Force officials that it does not have written travel policies and procedures but there were understood policies that the employees followed. A Shalom Task Force official stated that one travel policy was that employees could not exceed the combined federal approved lodging and meals and incidentals expenses (M&IE) amount when traveling. We found a few instances where Shalom Task Force paid for lodging that exceeded the federal approved rate by \$5, but the total lodging and M&IE amount for the trip was below the federal rate if you combined the lodging and M&IE. However, combining lodging and M&IE amounts does not follow federal travel regulations as each of the expenses (lodging and M&IE) must be at or below the federal per diem amount. Because the excess amount was immaterial, we did not question these charges, however, the lack of written travel policies and procedures increases the risk that unreasonable or unallowable travel expenditures will be incurred. We recommend Shalom Task Force develops and implements written travel policies and procedures or establish a policy that federal travel regulations will be followed for all award-related activities.

Drawdowns

The term drawdown is used to describe the process by which a recipient requests and receives funds under an award. The OVW Financial Guide establishes the methods by which the awarding agency makes payments to grantees. The methods and procedures for payment are designed to minimize the time that elapses between the transfer of funds by the awarding agency and the disbursement of funds by the awardee. Awardees are required to minimize the time between the transfer of funds by the awarding agency and the disbursement of funds by the awardee, and the OVW Financial Guide recommends that funds be drawn and disbursements be made immediately or within 10 days.

We interviewed Shalom Task Force officials and found Shalom Task Force did not have written drawdown procedures. Shalom Task Force's grant manager told us that drawdowns were conducted on both a reimbursement basis and a cash advance basis. We found Shalom Task Force's cumulative drawdowns equaled Shalom Task Force's cumulative expenditures recorded in its general ledger for each award we audited. However, we determined two drawdowns were not supported by expenditures that Shalom Task Force already made or would make

within 10 days as required by the OVW Financial Guide. Moreover, Shalom Task Force's award drawdowns routinely exceeded cumulative award expenditures. Because Shalom Task Force deposited the funds into a non-interest bearing bank account, we concluded Shalom Task Force did not accumulate interest on award funds it deposited into its bank account. However, Shalom Task Force's lack of written procedures places award funds at risk for misuse because the period elapsed between the drawdown and actual expenditures was greater than the 10 days required by the OVW Financial Guide. We discussed this issue with Shalom Task Force's management and they told us that the drawdown policy has been modified accordingly. We recommend Shalom Task Force develop and implement comprehensive written drawdown procedures that minimize the period elapsed between Shalom Task Force's drawdowns and award expenditures.

Budget Management and Control

The OVW Financial Guide requires that recipients spend award funding according to defined budget categories. However, to meet unanticipated program requirements, recipients are permitted to move up to 10 percent of the total award between approved budget categories. Transfers between approved budget categories in excess of 10 percent of the total award must be approved in advance by the awarding agency. In addition, the OVW Financial Guide requires that all awardees establish and maintain an adequate system for accounting and internal controls.

OVW approved a detailed budget for each of Shalom Task Force's awards we reviewed. We observed that, on a monthly basis, the grant manager would classify transactions to approved budget categories, which we consider reasonable evidence of budgetary monitoring even though Shalom Task Force's accounting system did not classify transactions to approved budget categories (See Award Financial Management Section). For each award, we compared the total expenditures by budget category from Shalom Task Force's grant manager's analysis to the budget categories established by OVW's final budget revision. We found that Shalom Task Force spent funds in accordance with the budgets approved by OVW. At the time of our fieldwork, the project periods for both awards were ongoing and, based on the information we reviewed, it appeared that the awards were on track to meet their approved budgets.

Reporting

Federal Financial Reports

OVW monitors the financial aspects of awards through Federal Financial Reports (FFRs) which are designed to describe the status of a program's funds. FFRs contain the cumulative expenditures and unliquidated obligations incurred for the award as well as program income and indirect costs. According to the OVW Financial Guide, award recipients are required to report program outlays and revenue on a cash or accrual basis in accordance with their accounting system. The awardee's financial point of contact is to certify that each FFR submitted is true,

complete, and accurate to the best of their knowledge at the time the FFR is submitted. We tested the accuracy of Shalom Task Force's four most recent FFR submissions for both awards we audited. We found that five of the eight FFRs we tested were inaccurate.

We asked a Shalom Task Force official why the FFRs were inaccurate and were told that FFRs were prepared utilizing both a cash and accrual accounting methodology. However, we found Shalom Task Force's FFRs included certifications that the reports were prepared using an accrual basis of accounting. Moreover, we concluded that the FFRs were not prepared utilizing written financial policies and procedures. Because five of eight FFR submissions we tested were inaccurate, OVW's financial monitoring of the awards was impaired. We recommend that Shalom Task Force develop and implement written FFR preparation policies and procedures to ensure all FFRs are accurate.

Progress Reports

OVW requires awardees to complete and submit progress reports as a means to monitor the performance of award-funded programs. Progress reports should describe the status of the project, a comparison of actual accomplishments to the objectives, or other pertinent information. Moreover, the OVW Financial Guide requires recipients retain a record of statistical records and all other records pertinent to the award. We compared a sample of the statistical accomplishments claimed in Shalom Task Force's two most recent progress reports for each award to supporting documentation retained by Shalom Task Force to determine if Shalom Task Force's progress reports were adequately supported. We concluded that Shalom Task Force's progress reports were adequately supported.

Monitoring of Contractors

According to the OVW Financial Guide, recipients should ensure that they monitor organizations under contract in a manner that is in compliance with their own overall financial management requirements. Additionally, 28 C.F.R. § 70.47 requires that recipients must maintain a system for contract administration, conduct assessments of contractor performance, and document contractor's compliance with the terms and conditions of the contract. We found that Shalom Task Force did not have formalized policies and procedures for contractor monitoring or selection. Moreover, we determined five consultants did not have written contracts with Shalom Task Force. As a result, Shalom Task Force could not conduct assessments of the consultant's compliance with the terms of the contract as required. Further, as discussed previously in the report, consultant invoices were not supported by time and activity reports as required by the OVW Financial Guide (See Award Expenditures Section). In our judgment, failure to establish a system of contractor monitoring places federal funds at risk for fraud waste and abuse. We recommend Shalom Task Force develop and implement written contractor monitoring policies and procedures that ensure all consultants have written contracts.

Program Performance and Accomplishments

Legal Assistance for Victims

The program goal of the Legal Assistance for Victims award was to improve access to legal services for victims of domestic violence from the Jewish community in New York City. To accomplish the goal, Shalom Task Force stated in its project application that it would accomplish the following objectives: (1) expand efforts to provide legal assistance to victims of domestic violence; (2) implement cooperative efforts between domestic violence service organizations and legal service providers; and (3) provide training and data collection to improve the capacity of grantees to offer legal assistance to victims of domestic violence. At the time of our fieldwork, the project period for the award was ongoing and the grant manager told us that the grant accomplished all of its programmatic objectives. We reviewed Shalom Task Force's hotline statistics and legal service statistics to assess whether Shalom Task Force made progress toward accomplishing its programmatic objectives. Additionally, we reviewed an OVW monitoring report which took no exception with Shalom Task Force's program performance. Based on the information we reviewed, it appeared that Shalom Task Force's award-funded program was on track to meet its program objectives.

Sexual Assault Services

The program goal of the Sexual Assault Services award was to expand outreach and access to core services for survivors of sexual assault in the Orthodox Jewish and immigrant Jewish community. To accomplish the goal, Shalom Task Force stated in its award application that it would accomplish the following objectives: (1) increase outreach to the Orthodox and immigrant Jewish community to bring awareness of available services for survivors of sexual assault; (2) increase the capacity of the Shalom Task Force hotline to serve victims of sexual assault and increase the number calls from assault victims to 100 per year or 10 percent of all calls; (3) increase the number of calls to the contractor's hotline by 50 percent in Year 1, Year 2, and Year 3; (4) double the number of volunteer helpline advocates, from 12 to 24 in three years; (5) extend the hours of operation of the contractor's hotline; and (6) increase the number of Orthodox and immigrant Jewish women seeking and receiving sexual assault direct services. At time of our fieldwork, the project period for the award was ongoing and Shalom Task Force had yet to submit a final progress report for the award. We compared Shalom Task Force's program objectives to supporting documentation provided to determine if Shalom Task Force either met or made progress toward accomplishing its objectives. Further, we reviewed an OVW monitoring report which took no exception with Shalom Task Force's program performance. We concluded Shalom Task Force met or made reasonable efforts toward accomplishing all of its program objectives. However, based on the information we were provided, we found that assault victims' calls to Shalom Task Force's hotline did not amount to 10 percent of Shalom Task Force's total calls and that the number of calls to its contractor's hotline did not increase 50 percent annually although Shalom Task Force made reasonable effort toward accomplishing those objectives.

Compliance with Special Conditions

In addition to the award requirements, we test for compliance with the terms and conditions specified in the award documents. We found that Shalom Task Force generally complied with the special conditions with one exception. As discussed previously Shalom Task Force did not comply with a special condition which required that it comply with the OVW Financial Guide. Specifically, Shalom Task Force did not have written conflict of interest procedures and did not rely on its approved budget as the foundation of its financial system as required by the OVW Financial Guide (See Award Financial Management Section). We found Shalom Task Force also did not have written policies and procedures that included the periodic review of compliance with its special conditions. Failure to periodically conduct compliance reviews of special conditions included in the award documents increases the risk that the recipient will not detect non-compliance and the project will not be implemented as designed. We recommend Shalom Task Force develops and implements policies and procedures to ensure compliance with grant special conditions.

Conclusion

Shalom Task Force did not fully comply with award requirements in the areas we tested. We found weaknesses in Shalom Task Force's system of internal controls specific to its financial management. Overall, we found that Shalom Task Force did not have comprehensive written procedures for its operations including written drawdown procedures. We also found personnel expenditures were made based off of budget estimates, that consultant expenditures were not supported by either time and activity reports or cost justifications, and lodging expenditures in excess of the federal rate. Finally, we also found deficiencies with Shalom Task Force's financial reporting, monitoring of contractors, and compliance with award special conditions.

Recommendations

We recommend that OVW:

1. Ensure Shalom Task Force develops and implements policies and procedures that ensure accountability over federal funds.
2. Ensure Shalom Task Force develops and implements written policies to ensure personnel and fringe benefits charged to the awards are based on actual time spent on grant related activities.
3. Ensure Shalom Task Force develops and implements procedures to document time and effort reports and justification of consultant rates in accordance with market value.

4. Ensure Shalom Task Force develops and implements written travel policies and procedures or establishes a policy that federal travel regulations are to be followed.
5. Ensure Shalom Task Force develops and implements comprehensive written drawdown procedures that minimize the period elapsed between Shalom Task Force's drawdowns and award expenditures.
6. Ensure Shalom Task Force develops and implements policies and procedures that ensure it submits accurate financial reports.
7. Ensure Shalom Task Force develops and implements written contractor monitoring policies and procedures that ensure all consultants have written contracts.
8. Ensure Shalom Task Force develops and implements policies and procedures to ensure compliance with award special conditions.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of the audit was to assess performance in the key areas of award management that are applicable and appropriate for the awards under review. These areas include: (1) award financial management, (2) award expenditures, (3) drawdowns, (4) budget management and control, (5) financial and progress reporting, (6) monitoring of contractors, (7) program performance and accomplishments, and (8) compliance with award special conditions. We determined that program income, matching costs, and indirect costs were not applicable to these awards.

We conducted this audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit concentrated on, but was not limited to, the 2009-WL-AX-0011 and 2010-KS-AX- K002 awards to Shalom Task Force, and the project periods for these awards respectively began on October 1, 2009 and September 1, 2010. We audited two awards that were awarded by OVW's Legal Assistance for Victims Program and Sexual Assault Services Culturally Specific Program.

Collectively, these awards totaled \$1,451,921 in OVW funding. Through May 2014, Shalom Task Force drew down \$1,142,399 from the awards.

We tested compliance with what we consider to be the most important conditions of the awards. Unless otherwise stated in our report, the criteria we audited against are contained in the applicable Code of Federal Regulations and OMB Circulars cited in the OVW Financial Guide, General Services Administration Travel Regulations, and the award documentation for each respective award.

In conducting our audit, we performed interviews and examined award-related documentation in order to test Shalom Task Force's award activities in the areas we previously cited above. We judgmentally selected a sample of 30 transactions that totaled \$160,239 or 14 percent of the total award amount for the 2009-WL-AX-0011 grant. We judgmentally selected 15 transactions that totaled \$136,086 or 45 percent of the award amount for the 2010-KS-AX-0011 cooperative agreement. In addition, we reviewed the internal controls of Shalom Task Force's financial management system specific to the management of OVW award funds during the award periods under review, drawdowns, and program performance and accomplishments. However, we did not test the reliability of the financial management system as a whole and reliance on computer generated data was not significant to our audit objectives. We also performed limited tests of source documents to assess the accuracy and completeness of reimbursement requests and financial status reports.

SHALOM TASK FORCE RESPONSE TO THE DRAFT AUDIT REPORT



Promoting Peaceful Family Relations

25 Broadway, Suite 403

New York, NY 10004

212-742-1478

www.shalomtaskforce.org - Info@shalomtaskforce.org

To the United States Department of Justice
Office of the Inspector General - Audit Division

Subject: Response to Draft Audit Report

Thank you for the audit work you performed and the recommendations made in your audit report. As a small nonprofit organization we appreciate that there is always room for improvement. All of your recommendations have been accepted, and action has already commenced to document both new and existing policies and procedures.

It should also be noted that our internal control over transactions and financial reporting does include multi-tiered review and approval of transactions, continual tracking and comparisons to approved budgeted amounts, multiple signatories on checks, and segregation of duties and personnel involved in the financial reporting process. These tailored controls have proven effective and efficient.

In your draft report you have noted that the organization's cumulative draw-downs (funds requested from the OVW) equaled the cumulative expenditures recorded in its general ledger for each award, and that you found the organization to have spent the award funds in accordance with the budgets approved by the OVW. Further you concluded that the organization's progress reports monitoring the performance of award-funded programs were adequately supported. These findings support our position that the organization has made proper use of the federal funds for the purposes for which they were awarded, without instances of fraud, waste or abuse.

We believe that the audit findings you encountered were de minimis, and do not reflect on the organization's overall ability to monitor, classify, and manage federal expenditures. Nonetheless we are committed to the process of enhancing our procedures and documentation as recommended, and to that end have embarked on the following corrective actions:

We are currently working on documenting the organization's policies and procedures, both those already in place and additional ones that you have recommended. The manual we are compiling is designed to be in full compliance with the guidance noted in OMB Circular A-133, the 2013 OVW Financial Grants Management Guide, and all other relevant federal guidance. We are

confident that these policies and procedures will satisfy any concerns you have with regard to our ability to maintain effective control and accountability over federal funds. Attached please find our new Conflict of Interest policy, which is set to be adopted by the Board of Directors and implemented in the near future; other policies and procedures are still in process and will be presented to our board for approval in the weeks ahead. We anticipate completion and approval of the manual by May 31st of this year.

In addition we have registered all employees involved in financial management and reporting processes to undergo comprehensive training in Grants Financial Management offered by the U.S. Department of Justice, as well as training in the new OMNI Circular offered by the OVW. We anticipate their training to be completed by mid-April of this year.

Thank you again for the time and effort given to this process and we look forward to a long and successful partnership with the Department of Justice in providing needed services to the public.

Sincerely,



Dr. Alan Singer
Executive Director



Mrs. Sarah Bergman
Treasurer

Date: February 5, 2015

OFFICE ON VIOLENCE AGAINST WOMEN RESPONSE TO THE
DRAFT AUDIT REPORT





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

February 5, 2015

MEMORANDUM

TO: Thomas O. Puerzer
Regional Audit Manager
Philadelphia Regional Audit Office

FROM: Bea Hanson 
Principal Deputy Director
Office on Violence Against Women

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

SUBJECT: Draft Audit Report - Audit of the Office on Violence Against
Women Awards to Shalom Task Force (STF), New York, New
York

This memorandum is in response to your correspondence dated January 16, 2015 transmitting the above draft audit report for the Shalom Task Force (STF). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains eight recommendations in which The Office on Violence Against Women (OVW) is committed to working with the grantee to address and bring them to a close as quickly as possible. The following is our analysis of the audit recommendations.

1. Ensure STF develops and implements policies and procedures that ensure accountability over federal funds.

OVW does agree with the recommendation. We will coordinate with STF to ensure that they develop and implement policies and procedures that ensure accountability over federal funds.

2. Ensure STF to develops and implements written policies to ensure personnel and fringe benefits charged to the awards are based on actual time spent on grant related activities.

OVW does agree with the recommendation. We will coordinate with STF to ensure that they develop and implement written policies to ensure personnel and fringe benefits charged to the awards are based on actual time spent on grant related activities.

3. Ensure STF develops and implements procedures to document time and effort reports and justification of consultant rates in accordance with market value.

OVW does agree with the recommendation. We will coordinate with STF to ensure that they develop and implement procedures to document time and effort reports and justification of consultant rates in accordance with market value.

4. Ensure STF develops and implements written travel policies and procedures or establishes a policy that federal travel regulations are to be followed.

OVW does agree with the recommendation. We will coordinate with STF to ensure that they develop and implement written travel policies and procedures or establishes a policy that federal travel regulations are to be followed.

5. Ensure STF develops and implements comprehensive written drawdown procedures that minimize the period elapsed between STF's drawdowns and award expenditures.

OVW does agree with the recommendation. We will coordinate with STF to ensure that they develop and implement comprehensive written drawdown procedures that minimize the period elapsed between STF's drawdowns and award expenditures.

6. Ensure STF develops and implements policies and procedures that ensure it submits accurate financial reports.

OVW does agree with the recommendation. We will coordinate with STF to ensure that they develop and implement policies and Procedures that ensure it submits accurate financial reports.

7. Ensure STF develops and implements written contractor monitoring policies and procedures that ensure all consultants have written contracts.

OVW does agree with the recommendation. We will coordinate with STF to ensure that they develop and implement written contractor monitoring policies and procedures that ensure all consultants have written contracts.

8. Ensure STF develops and implements policies and procedures to ensure compliance with award special conditions.

OVW does agree with the recommendation. We will coordinate with STF to ensure that they develop and implement policies and procedures to ensure compliance with award special conditions.

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 of my staff at (202) 514-9820.

cc Donna Simmons
Associate Director, Grants Financial Management Division
Office on Violence Against Women (OVW)

Louise M. Duhamel, Ph.D.
Acting Assistant Director
Audit Liaison Group
Justice Management Division

Shannon Gaskins
Program Specialist
Office on Violence Against Women (OVW)

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

The Office of the Inspector General (OIG) provided a draft of this audit report to Shalom Task Force and the Office on Violence Against Woman (OVW). Shalom Task Force's response is included as Appendix 2, and OVW's response is included as Appendix 3 of this final report. The following provides our analysis of the responses and summary of actions necessary to close the report.

Analysis of Shalom Task Force Response

In its response, Shalom Task Force generally concurred with the findings and recommendations in the report. However, they stated that the findings we encountered were de minimus and do not reflect on the organization's overall ability to monitor, classify, and manage federal expenditures. While we agree there were no reportable questioned costs, the findings in our report indicate an overall insufficient internal control framework. These internal controls are considered vital to ensure that funds, including those provided by the federal government, are protected from fraud, waste, and abuse. The recommendations made in this report will provide additional assurances that the funds are controlled and spent as intended.

Summary of Actions Necessary to Close Report

- 1. We recommend that OVW ensure Shalom Task Force develops and implements policies and procedures that ensure accountability over federal funds.**

Resolved. OVW agreed with our recommendation and stated that it will coordinate with Shalom Task Force to ensure it develops and implements policies and procedures to ensure accountability over federal funds.

Shalom Task Force also agreed with the recommendation.

This recommendation can be closed when we receive documentation demonstrating Shalom Task Force has developed and implemented policies and procedures that ensure accountability over federal funds.

- 2. We recommend that OVW ensure Shalom Task Force develops and implements written policies to ensure personnel and fringe benefits charged to the awards are based on actual time spent on grant related activities.**

Resolved. OVW agreed with our recommendation and stated it will coordinate with Shalom Task Force to ensure it develops and implements a written policy to ensure personnel and fringe benefits charged to the awards are based on actual time spent on grant related activities.

Shalom Task Force also agreed with the recommendation.

This recommendation can be closed when we receive documentation demonstrating Shalom Task Force has developed a written policy that ensures personnel and fringe benefits charged to the awards are based on actual time spent on award related activities.

3. We recommend that OVW ensure Shalom Task Force develops and implements procedures to document time and effort reports and justification of consultant rates in accordance with market value.

Resolved. OVW agreed with our recommendation and stated it will coordinate with Shalom Task Force to ensure it develops and implements procedures to document time and effort reports and justification of consultant rates in accordance with market value.

Shalom Task Force agreed with the recommendation.

This recommendation can be closed when we receive documentation demonstrating Shalom Task Force has developed and implemented procedures to document time and effort reports and justification of consultant rates in accordance with market value.

4. We recommend that OVW ensure Shalom Task Force develops and implements written travel policies and procedures or establishes a policy that federal travel regulations are to be followed.

Resolved. OVW agreed with our recommendation and stated it will coordinate with Shalom Task Force to ensure it develops and implements written travel policies and procedures or establishes a policy that federal travel regulations are to be followed.

Shalom Task Force also agreed with the recommendation.

This recommendation can be closed when we receive documentation demonstrating Shalom Task Force has developed and implemented written travel policies and procedures or has established a policy that federal travel regulations are to be followed.

5. We recommend that OVW ensure Shalom Task Force develops and implements comprehensive written drawdown procedures that minimize the period elapsed between Shalom Task Force's drawdowns and award expenditures.

Resolved. OVW agreed with our recommendation and stated it will coordinate with Shalom Task Force to ensure it develops and implements comprehensive written drawdown procedures that minimize the period elapsed between Shalom Task Force's drawdowns and award expenditures.

Shalom Task Force also agreed with the recommendation.

This recommendation can be closed when we receive documentation demonstrating Shalom Task Force has developed and implemented comprehensive written drawdown procedures.

6. We recommend that OVW ensure Shalom Task Force develops and implements policies and procedures that ensure it submits accurate financial reports.

Resolved. OVW agreed with our recommendation and stated it will coordinate with Shalom Task Force to ensure it develops and implements policies and procedures that ensure it submits accurate financial reports.

Shalom Task Force also agreed with the recommendation.

This recommendation can be closed when we receive documentation demonstrating Shalom Task Force has developed and implemented policies and procedures that ensure it submits accurate financial reports.

7. We recommend that OVW ensure Shalom Task Force develops and implements written contractor monitoring policies and procedures that ensure all consultants have written contracts.

Resolved. OVW agreed with our recommendation and stated that it will coordinate with Shalom Task Force to ensure it develops written contractor monitoring policies and procedures that ensure all consultants have written contracts.

Shalom Task Force also agreed with the recommendation.

This recommendation can be closed when we receive documentation demonstrating Shalom Task Force has developed and implemented written contractor monitoring policies and procedures that ensure all consultants have written contracts.

8. We recommend that OVW ensure Shalom Task Force develops and implements policies and procedures to ensure compliance with award special conditions.

Resolved. OVW agreed with our recommendation and stated it will coordinate with Shalom Task Force to ensure it develops and implements policies and procedures to ensure compliance with award special conditions.

Shalom Task Force also agreed with the recommendation.

This recommendation can be closed when we receive documentation demonstrating Shalom Task Force has developed and implemented policies and procedures that ensure compliance with award special conditions.

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