



Audit of Office of Justice Programs
and Office on Violence Against Women
Grants Awarded to HOPE Works, Inc.,
Burlington, Vermont



AUDIT DIVISION

24-106

SEPTEMBER 2024



EXECUTIVE SUMMARY

Audit of Office of Justice Programs and Office on Violence Against Women Grants Awarded to HOPE Works, Inc., Burlington, Vermont

Objectives

The Office of Justice Programs (OJP) and Office on Violence Against Women (OVW) awarded HOPE Works, Inc. (HOPE) four grants totaling \$2,012,715 to support and provide services to victims of domestic violence, sexual assault, and human trafficking. 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 HOPE demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded that HOPE did not adhere to all of the grant requirements but demonstrated adequate progress towards achieving the grants' stated goals and objectives. More specifically, this audit did not identify significant concerns regarding HOPE's grant financial management of personnel and fringe, subrecipient awards, matching, consultant, travel, and supplies costs, or its management of the grant budget. However, we identified a total of \$3,800 in questioned costs associated with unsupported direct assistance costs. We also identified areas of improvement for HOPE's subrecipient monitoring.

Recommendations

Our report contains one recommendation for OVW and three recommendations for OJP. We requested a response to our draft audit report from HOPE, OVW, and OJP, which can be found in Appendices 3 through 5, respectively. Our analysis of these responses is included in Appendix 6.

Audit Results

The purposes of the four OJP and OVW grants we reviewed were to support and provide services to victims of domestic violence, sexual assault, and human trafficking. The project periods for the audited grants were during the period from October 2016 through September 2025. HOPE drew down a cumulative amount of \$1,649,120 for all of the grants we reviewed.

Program Goals and Accomplishments

Three of the audited grants have been completed and one audited grant remained ongoing. We determined that HOPE adequately achieved the project goals we reviewed and maintained documentation to support its reported performance for the measures we tested.

Subrecipient Costs & Monitoring

We found that HOPE did not evaluate each subrecipient's risk of non-compliance with award requirements to help ensure the appropriate design of subrecipient monitoring plans. In addition, we found that HOPE did not review its subrecipients' required audit reports to ensure that any related deficiencies found in those audits were resolved.

Direct Assistance Costs

We found that HOPE charged \$5,049 in direct assistance costs, and \$3,800 was not adequately supported. In addition, HOPE's written policy was silent regarding the type of documentation necessary to support direct assistance provided to victims.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of four grants awarded by the Office of Justice Programs (OJP) and the Office on Violence Against Women (OVW) to HOPE Works, Inc. (HOPE), in Burlington, Vermont. HOPE was awarded the four audited grants totaling \$2,012,715 shown in Table 1.

Table 1

Grants Awarded to HOPE Works

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date ^a	Award Amount
2016-CY-AX-0001	OVW	09/19/2016	10/01/2016	09/30/2021	\$664,832 ^b
2018-WE-AX-0027	OVW	08/30/2018	10/01/2018	11/30/2023	\$450,000
2018-VT-BX-0007	OJP-OVC ^c	09/27/2018	10/01/2018	09/30/2023	\$500,000
15POVC-22-GG-03769-HT	OJP-OVC	09/27/2022	10/01/2022	09/30/2025	\$397,883
Total:					\$2,012,715

^a HOPE received project period extensions on three awards: 2016-CY-AX-0001, 2018-WE-AX-0027, and 2018-VT-BX-0007.

^b This amount reflects the deobligation of \$17,552 from the original award amount.

^c Office for Victims of Crime (OVC).

Source: JustGrants

The OVW grants awarded to HOPE were awarded to support youth and adult victims of domestic violence and sexual assault through collaboration with community partners such as victim service providers, local government including law enforcement agencies, and schools. The OJP grants awarded to HOPE were to support the identification and enhancement of services provided to all victims of human trafficking. As the pass-through entity for all four awards, HOPE established subrecipient relationships with four different victim service providers and employed victim and legal advocates, within its own organization, to support and provide services to domestic violence, sexual assault, and human trafficking victims.

The Grantee

HOPE is a non-profit entity, located in Burlington, Vermont, dedicated to ending all forms of sexual violence and provides crisis counselling and advocacy for those whose lives have been affected by sexual assault. According to its website, HOPE is committed to serving the Chittenden County community through continued provision of its services and to be a leading voice in the state of Vermont for meaningful change in society.

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 HOPE demonstrated adequate progress towards achieving 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 considered to be the most important conditions of the grants. The DOJ Grants Financial Guide; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); 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 objectives, scope, and methodology. The Schedule of Dollar-Related Findings appears in Appendix 2.

Audit Results

Program Performance and Accomplishments

We reviewed required performance reports, grant solicitations and grant documentation, and interviewed HOPE officials to determine whether adequate progress towards achieving the program goals and objectives was demonstrated. We also reviewed progress reports to determine if the required reports were accurate.

Program Goals and Objectives

HOPE was provided funding through three different grant programs.¹ During the audit, we selected one program goal from each grant and reviewed documentation provided, such as training summary reports, legal and victim advocacy staff payroll, and victim service forms, to determine whether HOPE demonstrated adequate progress towards achieving each goal selected, as shown in Table 2.

Table 2

OJP and OVV Award Goals Reviewed

Award Number	Project Title	Goal Selected for Review
2016-CY-AX-0001	Addressing Children and Youth Domestic and Sexual Violence Continuation Project	Develop, expand, and enhance victim advocacy services, including mental health.
2018-WE-AX-0027	Improving Criminal Justice's Response to Sexual Assault and Trafficking Project	Provide legal advocacy and victim support services to survivors.
2018-VT-BX-0007	Chittenden County Specialized Services for Victims of Human Trafficking	Develop professional training and public awareness activities.
15POVC-22-GG-03769-HT	Specialized Services for Victims of Human Trafficking in Chittenden County, Vermont	Anticipate serving 160 human trafficking victims annually.

Source: OJP & OVV Grant Award Packages

For the OVV grants that have been completed—2016-CY-AX-0001 and 2018-WE-AX-0027—we determined that HOPE adequately achieved the reviewed goal by enhancing its victim advocacy services and employing legal and victim advocacy staff who continue to provide services to victims. For the OJP grant that has been completed—2018-VT-BX-0007—we determined that HOPE adequately achieved the reviewed goal by providing trainings to individuals such as law enforcement officers and medical health providers. For the remaining ongoing grant—15POVC-22-GG-03769-HT—we determined that HOPE has made adequate progress towards achieving the reviewed goal by continuing to serve victims of human trafficking.

¹ The two OJP OVC grants were awarded to HOPE under the Services for Victims of Human Trafficking grant program (Catalog of Federal Domestic Assistance # 16.320).

Required Performance Reports

According to the DOJ Grants Financial Guide, funding recipients should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in program solicitations. To verify the information in HOPE's progress reports, we selected a judgmental sample of four performance measures, one from each grant's progress reports, and then traced the items to supporting documentation maintained by HOPE.²

Based on our progress report testing, we did not identify any instances where the accomplishments described in the required reports did not match the supporting documentation.

Grant Financial Management

According to the DOJ Grants 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 them. To assess HOPE's financial management of the grants covered by this audit, we conducted interviews with financial staff, examined policy and procedures, and inspected grant documents to determine whether HOPE adequately safeguarded the grant funds we audited. Finally, we performed testing in the areas that were relevant for the management of this grant, as discussed throughout this report.

Based on our review, we concluded that certain aspects of grant financial management could be improved, including the retention of supporting documentation for direct assistance costs and compliance with subrecipient monitoring requirements. The following sections of this report discuss these issues in more detail.

Grant Expenditures

For Grant Numbers 2016-CY-AX-0001, 2018-WE-AX-0027, 2018-VT-BX-0007, and 15POVC-22-GG-03769-HT, HOPE's approved budgets included personnel and fringe benefits, subrecipient awards, consultants, travel, supplies, and other direct costs. HOPE was required to expend \$213,623 in local funds for Grant Number 2018-VT-BX-0007, representing a 30-percent local match, and \$133,062 for the 15POVC-22-GG-03769-HT, which represents a 25-percent local match.

Between October 2016 and December 2023, HOPE charged a total of \$1,952,427, including local match, to the four grants we audited. To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of 70 transactions totaling \$90,723. We reviewed documentation, accounting records, and performed verification testing related to these transactions. During our testing, we did not identify any significant concerns applicable to personnel and fringe, subrecipient awards, matching, consultants, travel, and supplies costs. However, we did identify areas of improvement with subrecipient monitoring and direct assistance costs. Based on our

² For OVW grants 2016-CY-AX-0001 and 2018-WE-AX-0027, we reviewed progress reports for periods ended June 2019 and June 2023, respectively. For OJP grants 2018-VT-BX-0007 and 15POVC-22-GG-03769-HT, we reviewed progress reports for periods ended December 2022 and December 2023, respectively.

testing, we recommend that OJP remedy \$3,800 in questioned costs and address the areas of improvement. The following sections describe the results of that testing.

Subrecipient Costs & Monitoring

As of December 2023, HOPE provided \$344,321 to four different subrecipients that assisted in providing services to victims. Table 3 demonstrates how funding was provided to subrecipients across all four awards.

Table 3

Subrecipient Expenditures as of December 2023

Award	Amount Reimbursed to Subrecipients
2016-CY-AX-0001	\$222,310
2018-WE-AX-0027	\$62,100
2018-VT-BX-0007	\$59,911
15-POVC-22-GG-03769-HT ^a	\$0
Total:	\$344,321

^a As of December 2023, HOPE had not yet provided any funding to its subrecipients under this award.

Source: HOPE Accounting System Data

We reviewed \$46,550—or 14 percent—of the \$344,321 charged in subrecipient costs and found that the expenditures in our sample were allowable, supported, and properly allocated.

As a pass-through entity, HOPE was required to establish a written policy for monitoring its subrecipients. HOPE should have also evaluated each subrecipient’s risk of non-compliance with federal statutes, regulations, and terms and conditions of the subaward for purposes of determining how to appropriately monitor each subrecipient. However, we found that HOPE did not have a written subrecipient monitoring policy and although HOPE does conduct informal monitoring, its informal process did not comply with all essential subrecipient monitoring requirements. For example, HOPE did not have an established process for evaluating risk of non-compliance with grant requirements by a subrecipient.

During interviews with HOPE officials, we also found that HOPE had not implemented a practice of reviewing subrecipient Single Audit Reports, and to ensure that any related deficiencies found in those audits were resolved.³ Because HOPE did not complete any Single Audit Report reviews, we conducted our own review

³ Non-federal entities that receive federal financial assistance are required to comply with the *Single Audit Act Amendments of 1996*. 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. These audits are referred to as Single Audit Reports in this report.

and determined that at least two of the four subrecipients were required to submit Single Audit Reports.⁴ We reviewed the most recent Single Audit Report submitted by those two subrecipients and we did not identify any reported deficiencies.

We recommend that OJP and OVW coordinate with HOPE to establish written subrecipient monitoring policies and procedures to include: (1) evaluating a subrecipient’s risk of non-compliance with award conditions to help ensure the appropriate design of subrecipient monitoring plans, and (2) reviewing subrecipient Single Audit Reports to ensure that any related deficiencies found in those audits are resolved.

Direct Assistance Costs

Consistent with the OJP Services for Victims of Human Trafficking grant program, HOPE provided \$5,049 directly to victims. Table 4 demonstrates how the funding was expended across both OJP awards.

Table 4

Direct Assistance Expenditures as of December 2023^a

Grant	Amount Provided to Victims
2018-VT-BT-0007	\$4,539
15-POVC-22-GG-03769-HT	\$510
Total:	\$5,049

^a No direct assistance costs were charged to either OVW award.

Source: HOPE Accounting System Data

We selected for testing the entire universe, totaling \$5,049, and found that \$3,800, or 75 percent of the universe, did not have adequate supporting documentation, such as receipts that provide details on the direct costs paid. Although, HOPE has written policies for documenting other types of costs we audited, these policies were silent regarding the type of documentation necessary to support direct assistance provided to victims, such as emergency housing, moving expenses, and legal support.

We recommend that OJP remedy the \$3,800 in unsupported direct assistance questioned costs. We further recommend that OJP coordinate with HOPE to enhance its written policies and procedures to help ensure direct assistance costs are adequately supported.

Budget Management and Control

According to the DOJ Grants Financial Guide, recipients are responsible for establishing and maintaining an adequate accounting system, which includes the ability to compare actual expenditures or outlays with

⁴ According to the DOJ Grants Financial Guide, the pass-through entity needs to develop procedures to ensure that subrecipients expending \$750,000 or more in federal expenditures during the subrecipient’s fiscal year submit the required completed audits and take appropriate corrective action on all audit findings.

budgeted amounts for each award. Additionally, grant recipients must initiate a Grant Award Modification (GAM) 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 grant expenditures to approved budgets and determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent.

Drawdowns

According to the DOJ Grants 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, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. To assess whether HOPE managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records. For all four grants, HOPE requested drawdowns on a reimbursement basis. As of December 2023, HOPE's drawdown requests totaled \$664,832 for the 2016-CY-AX-0001 grant, \$445,645 for the 2018-WE-AX-0027 grant, \$500,000 for the 2018-VT-BX-0007 grant, and \$38,642 for the 15POVC-22-GG-03769-HT grant.⁵

During this audit, we did not identify significant deficiencies related to the recipient's process for developing drawdown requests. However, we identified deficiencies and questioned costs related to compliance of individual expenditures with grant rules, which we addressed above in the [Grant Expenditures](#) section in this report.

Federal Financial Reports

According to the DOJ Grants 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 HOPE submitted accurate federal financial reports, we compared the amount reported as cumulative expenditures on the most recent report for each grant to HOPE's accounting records.⁶ We determined that cumulative expenditures for the reports reviewed matched the accounting records.

⁵ The 2018-WE-AX-0027 award was completely drawdown in January 2024.

⁶ For grant 2016-CY-AX-0001, the most recent federal financial report was for the quarter ended September 30, 2021. For the other three audited grants, we reviewed the report for the period ended September 30, 2023.

Conclusion and Recommendations

As a result of our audit testing, we conclude that HOPE did not adhere to all of the grant requirements we tested but demonstrated adequate progress towards achieving the grants' stated goals and objectives. We did not identify significant issues regarding HOPE's grant financial management of personnel & fringe, subrecipient awards, matching, consultants, travel, and supplies costs, or its management of the grant budget. However, we found that HOPE did not comply with essential award conditions related to subrecipient monitoring requirements and did not maintain adequate documentation to support most of its direct assistance costs. We provide one recommendation to OVW and three recommendations to OJP to address these deficiencies.

We recommend that OJP and OVW:

1. Coordinate with HOPE to establish written subrecipient monitoring policies and procedures to include: (1) evaluating a subrecipient's risk of non-compliance with award conditions to help ensure the appropriate design of subrecipient monitoring plans, and (2) reviewing subrecipient Single Audit Reports to ensure that any related deficiencies found in those audits are resolved.

We recommend that OJP:

2. Remedy the \$3,800 in unsupported direct assistance questioned costs.
3. Coordinate with HOPE to enhance its written policies and procedures to help ensure direct assistance costs are adequately supported.

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 HOPE Works, Inc. (HOPE), 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 HOPE Works, Inc. by the Office of Justice Programs (OJP) and the Office on Violence Against Women (OVW). These four grants are:

- the Addressing Children and Youth Domestic and Sexual Violence Continuation Program (Grant Number 2016-CY-AX-0001);
- the Improving Criminal Justices Response to Sexual Assault and Trafficking Project (Grant 2018-WE-AX-0027);
- the Chittenden County Specialized Services for Victims of Human Trafficking (Grant 2018-VT-BX-0007); and
- the Specialized Services for Victims of Human Trafficking in Chittenden County, Vermont (Grant 15POVC-22-GG-03769-HT).

As of December 11, 2023, HOPE had drawn down a total of \$1,649,120 for these four grants. Our audit concentrated on, but was not limited to, the period of October 2016 through December 2023. Additionally, at the start of our audit, Grant Numbers 2016-CY-AX-0001 and 2018-VT-BX-0007 had been closed; Grant Number 2018-WE-AX-0027 was fully expended in January 2024.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of HOPE's activities related to the audited grants. We performed sample-based audit testing for grant expenditures including personnel and fringe, subrecipient costs, matching, consultants, travel, supplies, and other direct costs, financial reports, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This

non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The DOJ Grants Financial Guide; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from DOJ JustGrants system and DOJ Data Management, Reporting, and Analytics system as well as HOPE'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.

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 HOPE to provide assurance on its internal control structure as a whole. HOPE management is responsible for the establishment and maintenance of internal controls in accordance with OMB Circular A-123, 2 C.F.R. § 200. Because we do not express an opinion on HOPE's internal control structure as a whole, we offer this statement solely for the information and use of the HOPE, OJP, and OVW.⁷

We assessed management's design, implementation, and operating effectiveness of these internal controls and identified deficiencies that we believe could affect HOPE's ability to effectively operate, and to ensure compliance with laws 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 those internal control components and underlying principles that we found significant to the objectives of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

⁷ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: Schedule of Dollar-Related Findings

Description	Grant No.	Amount	Page
Questioned Costs: ⁸			
Unsupported Direct Assistance Costs	2018-VT-BX-0007	\$3,500	6
Unsupported Direct Assistance Costs	15POVC-22-GG-03769-HT	\$300	6
Unsupported Costs		\$3,800	
TOTAL DOLLAR-RELATED FINDINGS		<u>\$3,800</u>	

⁸ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, the provision of supporting documentation, or contract ratification, where appropriate.

APPENDIX 3: The HOPE Works, Inc., Response to the Draft Audit Report



August 19, 2024

Thomas O. Puerzer
Regional Audit Manager
Philadelphia Regional Audit Office
Office of the Inspector General2
U.S. Department of Justice
701 Market Street-Ste 2300
Philadelphia, PA 19106
via: electronic mail Thomas.O.Puerzer@usdoj.gov

re: response to the US Department of Justice's OIG audit of HOPE Works grant awards 2016-CY-AX-0001, 2018-WE-AX-0027, 2018-VT-BX-0007, and 15POVC-22-GG-03769-HT.

cc: Office of Justice Programs
cc: Office on Violence Against Women

Dear Mr. Puerzer:

This letter is to serve as the HOPE Works, Inc. response to the OIG audit of the US Department of Justice's OVC and OVW grant awards 2016-CY-AX-0001, 2018-WE-AX-0027, 2018-VT-BX-0007, and 15POVC-22-GG-03769-HT. The report contained two recommendations, and each have been responded to and addressed below.

Recommendation #1:

1. Coordinate with HOPE to establish written subrecipient monitoring policies and procedures to include: (1) evaluating a subrecipient's risk of non-compliance with award conditions to help ensure the appropriate design of subrecipient monitoring plans, and (2) reviewing subrecipient Single Audit Reports to ensure that any related deficiencies found in those audits are resolved.

24 HOUR	STATEWIDE	PO Box 92 Burlington VT 05402
HOTLINE	VERMONT	802.864.0555 <i>office</i> 802.863.8449 <i>fax</i>
802.863.1236	1.800.489.7273	hopeworksvt.org



HOPE Works agrees with recommendation #1 and will work with OJP and OVW to establish written subrecipient monitoring policies and procedures to include: (1) evaluating a subrecipient's risk of non-compliance with award conditions to help ensure the appropriate design of subrecipient monitoring plans, and (2) reviewing subrecipient Single Audit Reports to ensure that any related deficiencies found in those audits are resolved. The policies and procedures are anticipated to be completed by March 31, 2025.

Recommendation #2:

2. Remedy the \$3,800 in unsupported direct assistance questioned costs.

HOPE Works agrees with recommendation #2 and will work with OJP to remedy the questioned costs.

Recommendation #3:

3. Coordinate with HOPE to enhance its written policies and procedures to help ensure direct assistance costs are adequately supported. Additionally, HOPE Works will work with OJP to remedy the questioned direct assistance costs identified in the audit and enhance our written policies and procedures to help ensure that direct assistance costs are adequately supported going forward.

HOPE Works agrees with recommendation #3 and will develop written policies and procedures to help ensure direct assistance costs are adequately supported going forward. The policies and procedures are anticipated to be completed by March 31, 2025.

We look forward to working in partnership with OJP and OVW on completing the recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Erika Linskey", with a horizontal line extending to the right.

Erika Linskey

Executive Director

24 HOUR
HOTLINE
802.863.1236

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APPENDIX 4: 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

August 27, 2024

MEMORANDUM

TO: Thomas Puerzer
Regional Audit Manager

THROUGH: Erin Lorah *EML*
Associate Director, Grants Financial Management Unit

Suheyra Lasky *SL*
Team Lead, Grants Financial Management Unit

FROM: Rudelle Handy *RH*
Senior Program Specialist, Grants Financial Management Unit

SUBJECT: Draft Audit Report – Audit of the Office on Violence
Against Women Grant Awarded to HOPE Works

This memorandum is in response to your correspondence dated July 31, 2024, transmitting the above draft audit report for HOPE Works (HOPE), Burlington, Vermont. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains three recommendations with \$3,800 in questioned costs, of which one recommendation is directed to the Office on Violence Against Women (OVW) and the Office of Justice Programs (OJP) and two recommendations with \$3,800 in questioned costs are directed to OJP. OVW is committed to addressing and bringing the open recommendation identified by your office to a close as quickly as possible. The following is our analysis of the OVW recommendation.

Your office recommends that OVW and OJP:

1. Coordinate with HOPE to establish written subrecipient monitoring policies and procedures to include: (1) evaluating a subrecipient's risk of non-compliance with award conditions to help ensure the appropriate design of subrecipient monitoring plans, and (2) reviewing subrecipient Single Audit Reports to ensure that any related deficiencies found in those audits are resolved.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women Grants Awarded to HOPE Works

Concur: OVW will coordinate with OJP and HOPE to establish written subrecipient monitoring policies and procedures to include: (1) evaluating a subrecipient's risk of non-compliance with award conditions to help ensure the appropriate design of subrecipient monitoring plans, and (2) reviewing subrecipient Single Audit Reports to ensure that any related deficiencies found in those audits are resolved.

We appreciate the opportunity to review and comment on the draft report. If you have any questions or require additional information, please contact Rudelle Handy at (202) 598-9206.

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

Elaina Roberts
Grants Management Specialist
Office on Violence Against Women

APPENDIX 5: 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

August 28, 2024

MEMORANDUM TO: Thomas O. Puerzer
Regional Audit Manager
Philadelphia Regional Audit Office
Office of the Inspector General

FROM: Jeffery A. Haley *Jeffery A. Haley*
Deputy Director, Audit and Review Division

SUBJECT: Response to the Draft Audit Report, *Audit of Office of Justice Programs and Office on Violence Against Women, Grants Awarded to HOPE Works, Inc., Burlington, Vermont*

This memorandum is in reference to your correspondence, dated July 31, 2024, transmitting the above-referenced draft audit report for HOPE Works, Inc. (HOPE). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains three recommendations and \$3,800 in questioned costs; of which two recommendations and \$3,800 in questioned costs are directed to the Office of Justice Programs (OJP); and one recommendation is directed to both OJP and the Office on Violence Against Women (OVW).

The following is OJP's analysis of the draft audit report recommendations. For ease of review, the recommendations directed to OJP, individually and jointly, are restated in bold and are followed by our response.

- 1. We recommend that OJP and OVW coordinate with HOPE to establish written subrecipient monitoring policies and procedures to include: (1) evaluating a subrecipient's risk of non-compliance with award conditions to help ensure the appropriate design of subrecipient monitoring plans, and (2) reviewing subrecipient Single Audit Reports to ensure that any related deficiencies found in those audits are resolved.**

OJP agrees with the recommendation. In its response, dated August 19, 2024, HOPE stated that it will work with OJP and OVW, and establish written subrecipient policies and procedures to include: (1) evaluating a subrecipient's risk of non-compliance with award conditions to help ensure the appropriate design of subrecipient monitoring plans, and (2) reviewing subrecipient Single Audit Reports to ensure that any related deficiencies found in those audits are resolved. HOPE also stated that it expects to finalize these policies and procedures by March 31, 2025.

Accordingly, we will coordinate with HOPE to obtain a copy of their written policies and procedures, developed and implemented, to ensure that subrecipients are adequately monitored. At a minimum, the procedures must include: (1) appropriate controls to evaluate a subrecipient's risk of non-compliance with award conditions, when designing its subrecipient monitoring plans; and (2) appropriate review of subrecipient Single Audit Reports to ensure that corrective action is timely taken on any Department of Justice-related deficiencies found in those reports.

- 2. We recommend that OJP remedy the \$3,800 in unsupported direct assistance questioned costs.**

OJP agrees with the recommendation. In its response dated August 19, 2024, HOPE stated that it will work with OJP to remedy the unsupported questioned costs.

Accordingly, we will review the \$3,800 in questioned costs, related to unsupported direct assistance costs charged to Grant Numbers 2018-VT-BX-0007 (\$3,500) and 15POVC-22-GG-03769-HT (\$300), and will work with HOPE to remedy, as appropriate.

- 3. We recommend that OJP coordinate with HOPE to enhance its written policies and procedures to help ensure direct assistance costs are adequately supported.**

OJP agrees with the recommendation. In its response, dated August 19, 2024, HOPE stated that it will work with OJP to establish written policies and procedures to ensure that future direct assistance costs are adequately supported. HOPE also stated that it expects to finalize these policies and procedures by March 31, 2025.

Accordingly, we will coordinate with HOPE to obtain a copy of written policies and procedures, developed and implemented, to ensure that direct assistance costs are adequately supported, and the supporting documentation is maintained for future auditing purposes.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Linda J. Taylor, Lead Auditor, Audit Coordination Branch, of my staff, on (202) 514-7270.

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APPENDIX 6: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The OIG provided a draft of this audit report to the Office on Violence Against Women (OVW), Office of Justice Programs (OJP) and the HOPE Works, Inc. (HOPE). HOPE's response is incorporated in Appendix 3, OVW's response is incorporated in Appendix 4, and OJP's response is incorporated in Appendix 5 of this final report. In response to our draft audit report, OVW concurred with our recommendation and OJP agreed with our recommendations, and as a result, the status of the audit report is resolved. HOPE agreed with all three recommendations. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendation for OJP and OVW:

- 1. Coordinate with HOPE to establish written subrecipient monitoring policies and procedures to include: (1) evaluating a subrecipient's risk of non-compliance with award conditions to help ensure the appropriate design of subrecipient monitoring plans, and (2) reviewing subrecipient Single Audit Reports to ensure that any related deficiencies found in those audits are resolved.**

Resolved. OVW concurred with our recommendation. OVW stated in its response that it will coordinate with OJP and HOPE to establish written subrecipient monitoring policies and procedures to include: (1) evaluating a subrecipient's risk of non-compliance with award conditions to help ensure the appropriate design of subrecipient monitoring plans, and (2) reviewing subrecipient Single Audit Reports to ensure that any related deficiencies found in those audits are resolved.

OJP agreed with our recommendation. OJP stated in its response that it will coordinate with HOPE to obtain a copy of its written policies and procedures, developed and implemented, to ensure that subrecipients are adequately monitored. OJP also stated that at a minimum, the procedures must include: (1) appropriate controls to evaluate a subrecipient's risk of non-compliance with award conditions, when designing its subrecipient monitoring plans; and (2) appropriate review of subrecipient Single Audit Reports to ensure that corrective action is timely taken on any Department of Justice-related deficiencies found in those reports. As a result, this recommendation is resolved.

HOPE agreed with our recommendation and stated in its response that it will establish written subrecipient monitoring policies and procedures to include: (1) evaluating a subrecipient's risk of non-compliance with award conditions to help ensure the appropriate design of subrecipient monitoring plans, and (2) reviewing subrecipient Single Audit Reports to ensure that any related deficiencies found in those audits are resolved. The policies and procedures are anticipated to be complete by March 31, 2025.

This recommendation can be closed when we receive evidence that HOPE has established written subrecipient monitoring policies and procedures to include items one and two in the recommendation.

Recommendations for OJP:

1. Remedy the \$3,800 in unsupported direct assistance questioned costs.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$3,800 in questioned costs, related to unsupported direct assistance costs charged to Grant Numbers 2018-VT-BX-0007 (\$3,500) and 15POVC-22-GG-03679-HT (\$300), and will work with HOPE to remedy, as appropriate. As a result, this recommendation is resolved.

HOPE agreed with our recommendation and stated in its response that it will work with OJP to remedy the questioned costs.

This recommendation can be closed when we receive evidence that OJP has remedied the \$3,800 in unsupported direct assistance questioned cost.

2. Coordinate with HOPE to enhance its written policies and procedures to help ensure direct assistance costs are adequately supported.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with HOPE to obtain a copy of their written policies and procedures, developed and implemented, to ensure that direct assistance costs are adequately supported and the supporting documentation is maintained for future auditing purposes. As a result, this recommendation is resolved.

HOPE agreed with our recommendation and stated in its response that it will develop written policies and procedures to help ensure direct assistance costs are adequately supported going forward. The policies and procedures are anticipated to be completed by March 31, 2025.

This recommendation can be closed when we receive evidence that HOPE has enhanced its written policies and procedures to help ensure direct assistance costs are adequately supported.