



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

GRETCHEN WHITMER  
GOVERNOR

ROBERT GORDON  
DIRECTOR

June 13, 2019

Crystal Martin, Executive Director  
Family Counseling and Shelter Services of Monroe County  
14930 LaPlaisance Road  
Monroe, Michigan 48161

Dear Ms. Martin:

Attached is our final report from the Michigan Department of Health and Human Services (MDHHS) on-site audit of Family Counseling and Shelter Services of Monroe County VOCA Targeted Victim Services Grant for the period January 1, 2017 through September 30, 2017.

The final report contains the following: Description of Agency; Funding Methodology; Purpose and Objectives; Scope and Methodology; Conclusions, Finding and Recommendation; Statement of Grant Program Revenues and Expenditures; Corrective Action Plan; and Comment and Recommendation. The Conclusions, Findings, and Recommendations are organized by audit objective. The Comment and Recommendation includes the agency's paraphrased response to the Preliminary Analysis.

As noted in Finding 1, \$205 is due back to MDHHS. Please remit a check payable to the State of Michigan for \$205 to the following address by July 15, 2019:

Michigan Department of Health and Human Services  
Cash Receipting  
PO Box 30437  
Lansing, MI 48933

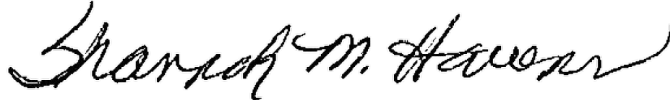


Crystal Martin, Executive Director  
Family Counseling and Shelter Services of Monroe County  
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Final reports are posted for public viewing on the MDHHS website at:  
[http://www.michigan.gov/mdhhs/0,5885,7-339-73970\\_43164-151236--,00.html](http://www.michigan.gov/mdhhs/0,5885,7-339-73970_43164-151236--,00.html).

Thank you for the cooperation extended throughout this audit.

Sincerely,

A handwritten signature in black ink, reading "Shannah M. Havens". The signature is fluid and cursive, with the first name being the most prominent.

Shannah M. Havens, CPA, CISA  
Audit Section Manager  
Population Health and Community Services Programs Section  
Audit Division

Attachment

cc: Debra Hallenbeck, Director, Audit Division  
Paula Kaiser Van Dam, Director, Bureau of Community Services  
Debi Cain, Director, Division of Victim Services  
Leslie O'Reilly, VOCA Program Specialist, Division of Victim Services  
Nicholas Sekmistrz, VOCA Grant Compliance Analyst, Division of Victim Services  
Diana Bartlett, Department Analyst, Division of Victim Services  
Mary McGrath, Manager, Revenue Section  
Kidada Smith, Manager, Contract Payable Section  
Tanya Thurston, Accountant, Federal Reporting Grants Unit  
Patsy Baker, Departmental Manager, Division of Victim Services  
Karen Porter, Division of Victim Services  
Robert Haske, Senior Auditor, Population Health and Community Services  
Programs Section  
Laurie Kosek, Financial Controller, Family Counseling and Shelter Services of  
Monroe  
Alison Kiser, Project Director, Family Counseling and Shelter Services of  
Monroe



# Audit Report

## Family Counseling and Shelter Services of Monroe County

Victim of Crime Act (VOCA)  
Victim Assistance Program

January 1, 2017 – September 30, 2017



Bureau of Audit

Audit Division

June 2019



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## **DESCRIPTION OF AGENCY**

Family Counseling and Shelter Services of Monroe County (Agency) is organized as a non-profit agency under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Agency's administrative office is located in Monroe, Michigan. The Agency operates under the legal supervision and control of its Board of Directors.

The Agency provides professional counseling, domestic violence prevention and anger management programs to the residents Monroe County. In addition, the Agency operates a domestic violence shelter and children's center which provide support to families and children in a safe environment.

## **FUNDING METHODOLOGY**

The Agency's Victim Assistance Program is funded from the United Way and a grant program from the Michigan Department of Health and Human Services (MDHHS). MDHHS provided the Agency with monthly grant funding based on Financial Status Reports in accordance with the terms and conditions of the grant agreement and budget. The Victims of Crime Act (VOCA) Program was funded by Federal funding under Federal catalog number 16.575.

## **PURPOSE AND OBJECTIVES**

The purpose of this audit was to assess the Agency's financial reporting and to determine the MDHHS share of costs according to the agreement and program standards and regulations. The following were the specific objectives of the audit:

1. To assess the Agency's effectiveness and accuracy in reporting its financial activity to MDHHS in accordance with MDHHS requirements and agreements, Federal standards, program standards and generally accepted accounting principles.
2. To determine the MDHHS share of costs and the Agency match in accordance with MDHHS requirements and agreements, Federal standards and program standards and any balance due to or due from the Agency.

## **SCOPE AND METHODOLOGY**

We examined the Agency's records and activities for the fiscal period January 1, 2017 through September 30, 2017. Our audit procedures included the following:

- Reviewed most recent Crime Victim Services Commission (CVSC) site visit report.
- Reviewed the Grant Application, Budget, Program Assurances, Agency Trial Balance and General Ledger.
- Reviewed Agency policies to make sure they meet applicable requirements and guidelines.
- Reviewed the most recently completed DOJ Financial Capability Questionnaire.
- Reconciled the Final VOCA Program Financial Status Report (FSR) and MDHHS payment schedule to the accounting records.



- Tested a sample of both payroll and non-payroll expenditures for program compliance; and adherence to policies, Federal and program guidelines and approval procedures.
- Reviewed required match for program compliance.
- Reviewed financial records to ensure supplanting of Federal awards did not occur.

Our audit did not include a review of program content or quality of services provided.

## **CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

### **FINANCIAL REPORTING**

**Objective 1:** To assess the Agency's effectiveness and accuracy in reporting its financial activity to MDHHS in accordance with MDHHS requirements and agreements, Federal standards, program standards, and generally accepted accounting principles.

**Conclusion:** The Agency was generally effective and accurate in reporting its financial activity to MDHHS in accordance with MDHHS requirements and agreements, Federal standards, program standards and generally accepted accounting principles. We identified the following exception: unallowable expenditures reported (Finding 1).

#### **Finding**

##### **1. Unallowable Expenditures Reported**

<b>Federal Agency</b>	U.S. Department of Justice
<b>Federal Sub-Tier</b>	Office of Justice Programs
<b>Federal Program Title</b>	Crime Victim Assistance
<b>CFDA Number</b>	16.575
<b>Project Title</b>	Victim Assistance Program
<b>Federal Grant Award Number</b>	2015-VA-GX-0044
<b>Federal Grant Award Period</b>	10/1/2014 – 9/30/2018
<b>MDHHS Agreement Number</b>	E20172630 -001
<b>MDHHS Agreement Period</b>	01/01/2017 – 09-30/2017
<b>MDHHS VOCA CVA Number</b>	21195-1V15
<b>Final Federal Expenditures After Audit</b>	\$ 76,224
<b>Final Federal Match After Audit</b>	\$ 19,062
<b>Total Audit Adjustments</b>	<b>\$ 256</b>
Federal Expenditures Due to MDHHS (80%)	\$ 205
Local Match Reduction Portion (20%)	\$ 51
<b>Repeat Finding</b>	No

The Agency reported unallowable expenditures to the VOCA Program.



The MDHHS 2018 VOCA Grant Program Administrative Guide related to personnel costs states, "...no overtime is allowed to be charged to the grant."

During our April payroll review, we noted that the Agency recorded \$80 in overtime for one (17%) of six employees. We subsequently expanded our review to the entire contract period, and we noted that the Agency reported a total of \$256 in overtime on its FSRs. The Agency did not have sufficient controls in place to ensure that only allowable expenditures were recorded and reported to the VOCA Program. Adjustments are shown on the attached Statement of Grant Program Revenues and Expenditures.

### **Recommendation**

We recommend that the Agency implement policies and procedures to ensure that only allowable expenditures are both recorded and reported to the VOCA Program to ensure compliance with the State's VOCA Grant Program Administrative Guide.

## **MDHHS SHARE OF COSTS AND BALANCE DUE**

**Objective 2:** To determine the MDHHS share of costs in accordance with MDHHS requirements and agreements, Federal standards and program standards and any balance due to or due from the Agency.

**Conclusion:** The MDHHS obligation for fiscal year ended September 30, 2017, is \$76,224 and the Agency's required match is \$19,062. The attached Statement of Grant Program Revenues and Expenditures shows the budgeted, reported, and allowable costs. The audit results included an adjustment that affected the VOCA Program funding with \$205 due back to MDHHS as addressed in Finding 1.



**Family Counseling and Shelter Services of Monroe County  
VOCA Crime Victim Assistance Grant  
Statement of Grant Program Revenues and Expenditures  
1/1/2017-09/30/2017**

	<b>BUDGETED</b>	<b>REPORTED</b>	<b>AUDIT ADJUSTMENTS</b>	<b>ALLOWABLE</b>
<b>REVENUES:</b>				
MDHHS Grant	\$ 78,686	\$ 76,429 <sup>1</sup>	\$ (205) <sup>2</sup>	\$ 76,224
United Way Grant	\$ 3,700	\$ 6,327	\$ -	\$ 6,327
Volunteer - Match	\$ 15,972	\$ 12,786	\$ (51) <sup>2</sup>	\$ 12,735
<b>TOTAL REVENUES</b>	<b>\$ 98,358</b>	<b>\$ 95,542</b>	<b>\$ (256)</b>	<b>\$ 95,286</b>
<b>EXPENDITURES:</b>				
Salaries and Wages	\$ 48,249	\$ 55,020	\$ (256) <sup>2</sup>	\$ 54,764
Fringe Benefits	\$ 7,737	\$ 6,029	\$ -	\$ 6,029
Volunteer	\$ 14,837	\$ 11,877	\$ -	\$ 11,877
Volunteer Fringe Benefits	\$ 1,135	\$ 909	\$ -	\$ 909
Supplies and Materials	\$ 22,350	\$ 16,888	\$ -	\$ 16,888
Other Expenses	\$ 4,050	\$ 4,819	\$ -	\$ 4,819
<b>TOTAL EXPENDITURES</b>	<b>\$ 98,358</b>	<b>\$ 95,542</b>	<b>\$ (256)</b>	<b>\$ 95,286</b>
<sup>1</sup> Actual MDHHS payments. <sup>2</sup> Unallowable Expenditures Reported (Finding 1)				



## Corrective Action Plan

**Finding Number:** 1

**Page Reference:** 2

**Finding:** **Unallowable Expenditures Reported**

The Agency reported unallowable expenditures to the VOCA Program.

**Recommendation:** Implement policies and procedures to ensure that only allowable expenditures are both recorded and reported to the VOCA Program to ensure compliance with the State's VOCA Grant Program Administrative Guide.

**Comments:** Agree

**Corrective Action:** The Agency will implement a procedure to verify that no overtime is charged to the VOCA Program and will change the Agency's financial report to list the salary expense detail to ensure overtime is not included on the FSR.

**Person Responsible for Implementation:** Crystal Martin, Executive Director

**Anticipated Completion Date:** July 1, 2019



## Comment and Recommendation

### 1. Insufficient Records to Support Volunteer Hours

The Agency did not use the Volunteer Match Distribution Time Reports (VMDTRs) to document all volunteer time.

The 2017 Crime Victim Grant Certified Assurances state, "The Grantee assures and certifies it will maintain proper documentation for all...volunteer time reported by using the...Volunteer Match Distribution Time Report."

During our review, we noted that the timesheets used by eight (100%) of eight volunteers to record their time were missing the following information: the CVA Project #; funding source for the hours volunteered; volunteer signature, title and signature date; and the supervisor signature, title and signature date.

We recommend that the Agency document all volunteer time on time reports that contain all applicable information to ensure compliance with the Grant's Certified Assurances.

**Management Response:** The Agency agrees with this comment and the attributes referenced above will be added to the volunteer time reports.

**Person Responsible for Implementation:** Dana Marshall, Volunteer Coordinator

**Anticipated Completion Date:** July 1, 2019