



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

ROBERT GORDON
DIRECTOR

February 12, 2019

Shelly Safi, Executive Director
Relief After Violent Encounter
1300 North Hickory Street
Owosso, Michigan 48867

Dear Ms. Safi:

Attached is our final report from the Michigan Department of Health and Human Services (MDHHS) on-site audit of The Child Abuse Council of Muskegon VOCA Program for the period October 1, 2016 through September 30, 2017.

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

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.

Thank you for the cooperation extended throughout this audit.

Sincerely,

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, Crime Victim Services Commission
Nicholas Sekmistrz, VOCA Grant Compliance Analyst, Crime Victim Services Commission
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
Stephanie Molnar, Project Director, Relief After Violent Encounter
Angie Bowles, Financial Officer, Relief After Violent Encounter

Audit Report

Relief After Violent Encounter (dba SafeCenter)

Victims of Crime Act
Victim Assistance Program

October 1, 2016 – September 30, 2017



Bureau of Audit

Audit Division

February 2019

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DESCRIPTION OF AGENCY

Relief After Violent Encounter, Inc. (dba SafeCenter) (Agency) is organized as a private, non-profit corporation under the provisions of Section 501(c) (3) of the Internal Revenue Code. The Agency's office is located in Owosso, Michigan. The Agency operates under the legal supervision and control of its Board of Directors which consists of 12 members and an Executive Director. The services provided by the Agency from the Victims of Crime Act (VOCA) funds are information and referral, personal advocacy/accompaniment, emotional support or safety services, shelter/housing services and justice system assistance for the victims of adult sexual assault, adults sexually abused/assaulted as children, child physical abuse or neglect, child sexual abuse/assault, domestic and/or family violence, elder abuse or neglect, human trafficking, stalking/harassment and teen dating victimization. The Agency provides program services in Clinton and Shiawassee Counties.

FUNDING METHODOLOGY

The Agency's Victim Assistance Program is funded from local funds 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 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's 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 October 1, 2016 to September 30, 2017. Our audit procedures included the following:

- Reviewed the Agency's most recent Financial Statement Audit Report for any VOCA Program related concerns.
- Reviewed the Grant Agreement, Budget, Program Assurances, Trial Balance and General Ledger.
- Reviewed policies to ensure they meet applicable requirements and guidelines.
- Reviewed the most recently completed Subrecipient Questionnaire and DOJ Financial Capability Questionnaire.
- Reconciled the Final VOCA Program Financial Status Report (FSR) and MDHHS payment schedule to the accounting records.
- Tested a selection of 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 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 no exceptions related to financial reporting.

MDHHS SHARE OF COSTS AND BALANCE DUE

Objective 2: To determine the MDHHS share of costs and the Agency's match 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 \$176,236 and the Agency's required match is \$44,059. The attached Statement of Grant Program Revenues and Expenditures shows the budgeted, reported, and allowable costs. The audit made no adjustments.

Relief After Violent Encounter, Inc. (dba SafeCenter)
VOCA Crime Victim Assistance Grant
Statement of Grant Program Revenues and Expenditures
10/1/16 - 9/30/17

	BUDGETED	REPORTED	AUDIT ADJUSTMENT	ALLOWABLE
REVENUES:				
MDHHS Grant	\$176,236	\$176,236 ¹	\$0	\$176,236
Volunteer - Match	\$44,059	\$44,059	\$0	\$44,059
TOTAL REVENUES	\$220,295	\$220,295	\$0	\$220,295
EXPENDITURES:				
Salary & Wages	\$128,155	\$125,282	\$0	\$125,282
Fringe Benefits	\$28,450	\$30,647	\$0	\$30,647
Volunteer Wages	\$40,928	\$40,928	\$0	\$40,928
Volunteer Fringe	\$3,131	\$3,131	\$0	\$3,131
Travel	\$2,820	\$2,922	\$0	\$2,922
Supplies & Materials	\$789	\$863	\$0	\$863
Contractual	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0
Other Expenses	\$0	\$500	\$0	\$500
Indirect Costs	\$16,022	\$16,022	\$0	\$16,022
TOTAL EXPENDITURES	\$220,295	\$220,295	\$0	\$220,295

¹ Actual MDHHS payments.

Comment and Recommendation

1. Lack of a Sufficient Conflict of Interest Policy

The Agency did not have a sufficient conflict of interest policy. Title 2 CFR 200.318 (c)(1) states, "The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts." The Agency did not have a conflict of interest policy that contained all of the elements listed in the above reference. We recommend that the Agency develop a sufficient conflict of interest policy to ensure compliance with Federal regulation.

Management Response: Board Policy Committee and Executive Director are responsible for policy updates and changes and meet monthly. The next meeting is scheduled for February 20, and the required changes to the policy would be reviewed at this meeting and approved at the April meeting. After approval, it will be taken to the board of directors for approval in May and subsequent implementation.

**Person Responsible
for Implementation:**

Shelly Safi, Executive Director

Anticipated

Completion Date:

May 31, 2019