



STATE OF MICHIGAN

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

GRETCHEN WHITMER  
GOVERNOR

ROBERT GORDON  
DIRECTOR

July 11, 2019

Barbara Niess-May, Executive Director  
Domestic Violence Project dba SafeHouse Center  
4100 Clark  
Ann Arbor, Michigan 48105

Dear Ms. Neiss-May:

Attached is our final report from the Michigan Department of Health and Human Services on-site audit of Domestic Violence Project's VOCA Crime Victim Assistance Grant 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, Statement of Grant Program Revenues and Expenditures. The Conclusions are organized by audit objective.

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,

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

Attachment

- c: 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 Audit Section  
Karla Chapman, Domestic Violence Project, Financial Director  
Andrea Fiorina, Domestic Violence Project, Database Administrator

# Audit Report

Domestic Violence Project, Inc.  
dba SafeHouse Center

Victims of Crime Act  
Victim Assistance Program

October 1, 2016 – September 30, 2017



Bureau of Audit  
Audit Division  
July 2019

## TABLE OF CONTENTS

|  | Page |
|--|------|
| Description of Agency .....                                | 1    |
| Funding Methodology.....                                   | 1    |
| Purpose and Objectives .....                               | 1    |
| Scope and Methodology.....                                 | 1    |
| <br><u>Conclusions, Findings, and Recommendations</u>      |      |
| <u>Financial Reporting</u> .....                           | 2    |
| <u>MDHHS Share of Costs and Balance Due</u> .....          | 2    |
| Statement of Grant Program Revenues and Expenditures ..... | 3    |

## **DESCRIPTION OF AGENCY**

The Domestic Violence Project, Inc., also doing business as SafeHouse Center, (Agency) is organized as a not-for-profit agency under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Agency provides services to survivors of domestic violence and sexual assault who live and work in Washtenaw County. Services include a 24-hour crisis line, emergency shelter for survivors of domestic violence and their children, counseling and support groups, legal advocacy, referrals and accompaniment, children's services, post residential support, and referral for counseling and education. The Agency's office is located in Ann Arbor, Michigan. The Agency operates under the legal supervision and control of its Board of Directors which consists of 12 members.

## **FUNDING METHODOLOGY**

The Agency's Victim Assistance Program is funded from 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'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 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 Department of Justice (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 reported their VOCA Program financial activity to MDHHS in accordance with applicable MDHHS requirements and agreements, applicable federal regulation, 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 under the VOCA Program for fiscal year ended September 30, 2017, is \$551,925; and the match obligation is \$137,981. The attached Statement of Grant Program Revenues and Expenditures shows the budgeted, reported, and allowable costs. There were not audit adjustments as a result of the audit.

**Domestic Violence Project  
VOCA Crime Victim Assistance Grant  
Statement of Grant Program Revenues and Expenditures  
10/1/16 - 9/30/17**

|                                     | <b>BUDGETED</b>  | <b>REPORTED</b>        | <b>AUDIT<br/>ADJUSTMENT</b> | <b>ALLOWABLE</b> |
|-------------------------------------|------------------|------------------------|-----------------------------|------------------|
| <b>REVENUES:</b>                    |                  |                        |                             |                  |
| MDHHS Grant                         | \$590,890        | \$551,925 <sup>1</sup> | \$0                         | \$551,925        |
| Match                               | \$147,723        | \$137,981              | \$0                         | \$137,981        |
| <b>TOTAL REVENUES</b>               | <b>\$738,613</b> | <b>\$689,906</b>       | <b>\$0</b>                  | <b>\$689,906</b> |
| <b>EXPENDITURES:</b>                |                  |                        |                             |                  |
| Salary & Wages                      | \$500,064        | \$480,225              | \$0                         | \$480,225        |
| Fringe Benefits                     | \$90,653         | \$80,545               | \$0                         | \$80,545         |
| Volunteer Wages                     | \$76,273         | \$75,837               | \$0                         | \$75,837         |
| Volunteer Fringe                    | \$5,835          | \$5,802                | \$0                         | \$5,802          |
| Travel                              | \$15,320         | \$10,688               | \$0                         | \$10,688         |
| Supplies & Materials                | \$0              | \$0                    | \$0                         | \$0              |
| Contractual                         | \$0              | \$0                    | \$0                         | \$0              |
| Equipment                           | \$30,893         | \$30,893               | \$0                         | \$30,893         |
| Other Expenses                      | \$19,575         | \$5,916                | \$0                         | \$5,916          |
| Indirect Costs                      | 0                | \$0                    | \$0                         | \$0              |
| <b>TOTAL EXPENDITURES</b>           | <b>\$738,613</b> | <b>\$689,906</b>       | <b>\$0</b>                  | <b>\$689,906</b> |
| <sup>1</sup> Actual MDHHS payments. |                  |                        |                             |                  |