



STATE OF NORTH CAROLINA
Office of the State Auditor

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June 7, 2007

Sheriff Tommy W. Allen Jr.
Board Chair
Anson County Domestic Violence Coalition, Inc.
P. O. Box 694
Wadesboro, NC 28170

RE: State Grants from

Department of Administration—.....	State Fiscal Year 2006, \$ 65,357.97
	State Fiscal Year 2005, \$ 63,040.23
	State Fiscal Year 2004, \$ 41,155.04
Department of Crime Control & Public Safety—.....	State Fiscal Year 2006, \$ 29,313.05
	State Fiscal Year 2005, \$ 71,541.23
	State Fiscal Year 2004, \$125,548.81
Department of Health & Human Services—.....	State Fiscal Year 2006, \$ 4,888.41

Dear Sheriff Allen:

We have completed certain limited procedures described below at Anson County Domestic Violence Coalition, Inc. (Coalition) related to its management of state grant funds. Our objective was to identify whether there were any deficiencies in internal control; instances of noncompliance with laws, regulations, and provisions of contracts or grants agreements; and/or deficiencies in the management of financial resources based solely on the performance of these procedures.

These procedures do not constitute an audit, examination or a review as described in professional standards governing those types of services. Furthermore, our procedures were not agreed upon by you or any third party. Our procedures do not provide a basis for providing any level of assurance regarding internal control, compliance or financial management and should not be relied upon for that purpose.

Specifically, our procedures consisted of the following:

- Interviewing personnel;
- Examining accounting records for the purpose of identifying state grant transactions;
- Examining documentation supporting selected transactions and balances;
- Reviewing available policies and procedures; and
- Reviewing available board minutes.

The results of these procedures conducted on March 21-22 and April 2-3, 2007 disclosed internal control deficiencies, instances of noncompliance and/or other matters of concern that are described in the attached findings and recommendations. Due to the nature of those findings, copies of this report have been provided to the Governor, the Attorney General and other appropriate officials in accordance with North Carolina General Statutes §147-64.6(c)(12) which requires the State Auditor to provide written notice of apparent instances of violations of penal statutes or apparent instances of malfeasance, misfeasance, or nonfeasance by an officer or employee.

This letter, including your written response to the draft findings, will be published on our Electronic Publication System (EPS) at www.ncauditor.net. You and others who are interested in the publication should register with EPS on the web site. Registered parties will receive an email notification and a link to the publication as soon as it is available.

This letter is intended solely for the information and use of the board of directors, management of the Anson County Domestic Violence Coalition, Inc., the Governor, the General Assembly, and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Leslie W. Merritt, Jr., CPA, CFP
State Auditor

LWMjr/jhp

Attachment

CC: Governor Michael Easley
Attorney General Roy Cooper
Mr. Michael Parker, Anson County District Attorney
Secretary Britt Cobb,
Department of Administration
Secretary Bryan Beatty
Department of Crime Control & Public Safety
Secretary Carmen Hooker Odom
Department of Health and Human Services
Ms. Teresa Pell, Executive Director
N.C. Council for Women and Domestic Violence Commission
Ms. Laketha Miller, Controller
Department of Health and Human Services

Anson County Domestic Violence Coalition, Inc.
FINDINGS AND RECOMMENDATIONS

Grant Overview:

Department of Administration-- Domestic Violence, Marriage License Fees and Sexual Assault--All funds budgeted for Domestic Violence were for salary related expenditures only. Marriage license fees were to be used for serving victims of domestic violence by providing training or education pertaining to domestic violence. \$800 was for supplies. There is also a 20% match.

Department of Crime Control & Public Safety-- \$240 was approved for travel and \$960 was approved for operating. The remainder was for personnel expenditures only.

Department of Health & Human Services- Victim's Advocate grant--100% of the grant was to be used for personnel expenditures.

1. ANSON COUNTY DOMESTIC VIOLENCE COALITION (COALITION) DOES NOT HAVE AN ADEQUATE CHART OF ACCOUNTS TO ALLOW TRACKING OF STATE GRANT FUNDS.

All monies received by the grantee are deposited into a single checking account containing both State grant funds and private funds from other sources of revenue. However, the chart of accounts does not allow the tracking of expenditures by funding source. This results in the inability to determine which expenditures are supported by State grant funds. One of the requirements of the State grant agreement is to keep accurate records of how the grant funds are used.

Recommendation:

The Coalition should design and implement a revised chart of accounts that will allow expenditures to be linked to funding source. This will allow the clear identification of State grant expenditures and will allow reviewers of those expenditures to determine that they were made in conformance with the terms of the grant contract.

2. ANSON COUNTY DOMESTIC VIOLENCE COALITION DOES NOT HAVE WRITTEN, COMPLETE, OR UP-TO-DATE POLICIES AND PROCEDURES.

At the time of the review, the Coalition was unable to supply written policies and procedures for its internal operations or for operations related to the State grants it received. Every organization, regardless of size, should have formal, written policies and procedures which address all aspects of operations. Procedures should include administrative, personnel, financial, and programmatic functions which detail actions to be taken by staff in different situations. Lack of written policies and procedures can lead to inconsistency and weakness in internal controls.

Anson County Domestic Violence Coalition, Inc.
FINDINGS AND RECOMMENDATIONS (continued)

Recommendation:

The Board of Directors should direct staff to immediately begin work to develop draft procedures for all aspects of the Coalition's operations. After each section is completed, the Executive Director should submit these proposed policies and procedures to the Board for consideration and approval. Once approved, the policies and procedures should be immediately implemented and the Board should periodically review procedures to assure compliance.

3. LACK OF INTERNAL CONTROLS ALLOWED \$6,585 IN QUESTIONABLE EXPENDITURES.

The Coalition uses QuickBooks to record receipts and expenditures and also maintains a manual checkbook which is also used to pay some expenditures. The Coalition's bookkeeper entered receipts and expenditures as directed by the Executive Director. The QuickBooks program was only on the Executive Director's laptop. The Executive Director was the only person allowed to write check from the manual checkbook. Checks for less than \$500 could be signed by the Executive Director only. Checks for more than \$500 were to be signed by the Executive Director and either the Board Chair or Board Treasurer. In addition, the Executive Director had a debit card for the Coalition's checking account. These expenditures were not reviewed by any board member.

The Board Chair and/or the Board Treasurer told us that they reviewed all expenditures, including those below \$500, and approved them. Questions to staff and board members, including the Chair and Treasurer, revealed that most payments were "rubbered stamp" without requiring adequate documentation or explanation.

Lack of proper oversight resulted in questionable and possibly fraudulent expenditures made by the former Executive Director. The State grant funds were to be used to support clients who are victims of domestic violence.

Expenditures for some items, such as the AOL monthly charge for an account at the Executive Director's home, were apparently for the Executive Director's personal use. Many other items, such as expenditures for food, do not appear to fit the allowable expenditures under the terms of the grants and appeared to be personal expenditures by the Executive Director. Many purchases were made in Rockingham in Richmond County where the Executive Director lived. The Coalition does not provide services in that county. Table 1, page 7 lists the questionable expenditures totalling \$6,585.38.

Anson County Domestic Violence Coalition, Inc.
FINDINGS AND RECOMMENDATIONS (continued)

The Executive Director was allowed to resign February 28, 2007 after some personal expenditures from State grant funds came to light. At that time, the Executive Director repaid \$544.95 for those expenditures. They are not included in the total questioned expenditures in Table 1. Additionally, all members of the Board of Directors except one resigned during our investigation.

Recommendation:

The Board should seek immediate restitution from the previous Executive Director. The Board may wish to employ legal counsel to assist in determining the appropriate actions. The Board should take steps to institute proper internal controls and provide the needed oversight for the implementation of those controls.

Note: General Statute 147-64.6(c) (12) requires the Office of the State Auditor to provide written notice of apparent instances of violations of penal statutes or apparent instances of malfeasance, misfeasance, or nonfeasance by an officer or employee to the appropriate State authorities.

4. THE EXECUTIVE DIRECTOR WAS PAID \$36,085 MORE THAN HER APPROVED SALARY FROM THE STATE GRANTS.

While reviewing payroll data, we noted that the former Executive Director was paid for 1,267 hours over the time covered by her regular salary for the period January 2004 through March 2007. The time was recorded on her timesheets as either "paid time off (PTO)," "vacation", or "Christmas bonus." "PTO" was additional time over and above the regular work, vacation, sick leave, or compensatory time that would normally be considered paid time.

In reviewing Board minutes, we found where the Board had approved employees to earn 8 hours of vacation time per month. However, we found no entries where the Board had approved either the earning of "paid time off" or "Christmas bonus." Table 2, page 13 shows the questioned payments.

While payments for the additional time were made in 2004, the timesheets only began to show leave balances for PTO, vacation, and compensatory time in July 2005. At that point, the Executive Director began recording 10.75 hours of PTO every two weeks and 8 hours of vacation every four weeks, as well as compensatory time.

Anson County Domestic Violence Coalition, Inc.
FINDINGS AND RECOMMENDATIONS (continued)

Most of the Executive Director's timesheets were signed and approved by the Board Chair; however, no questions were raised about the balances. Each of the additional checks purchasing the Executive Director's accumulated leave were signed by either the Board Chair or Board Treasurer, thus indicating their approval.

When the Board Chair was asked about these additional salary payments, she said she had questioned them, but that she signed the checks anyway. According to the Board Chair, she did ask the former Executive Director how she was earning so much leave. The Executive Director told her that "the Board wanted me to have this." As noted above, there was no indication in the Board minutes that this leave had ever been discussed or approved. The Chair also said that on some of the Executive Director's timesheets someone else had signed her (the chair's) name.

Recommendation:

The Board should seek immediate restitution from the previous Executive Director for the extra salary amounts as shown in Table 2. The Board may wish to employ legal counsel to assist in determining the appropriate actions. The Board should take steps to institute proper internal controls over the approval for all expenditures. The Board should determine what its policies are regarding work beyond 40 hours per week, including if and when an employee can be paid for that additional time.

<p>Note: General Statute 147-64.6(c) (12) requires the Office of the State Auditor to provide written notice of apparent instances of violations of penal statutes or apparent instances of malfeasance, misfeasance, or nonfeasance by an officer or employee to the appropriate State authorities.</p>

Table 1 Anson County Domestic Violence Coalition - Questioned Costs					
Invoice #	Date	Amount	Vendor	For	Reason Questioned
Debit	12/9/2004	\$ 36.99	Gandy Animal Hospital	Veterinary Bill	Vet bill not an allowable cost under grant terms
Debit	1/14/2005	7.46	vendor not indicated	Direct Services	No documentation to support expenditure
Debit	1/24/2005	23.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
Debit	1/28/2005	126.73	vendor not indicated	Direct Services	No documentation to support expenditure
Charge	1/28/2005	112.83	Wal Mart	toys, movies, pillows	No record of client and/or documentation of services provided; not allowed by grants
1210	2/3/2005	23.07	Parsons Drug	prescriptions	No record of client and/or documentation of services provided; not allowed by grants
Debit	2/11/2005	62.94	Wal Mart Rockingham	candy, clothes	No record of client and/or documentation of services provided; not allowed by grants
Debit	2/21/2005	37.32	Winn Dixie Rockingham	Food	No record of client and/or documentation of services provided; not allowed by grants
Debit	2/23/2005	23.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
Debit	2/24/2005	6.41	vendor not indicated	Direct Services	No documentation to support expenditure
Debit	3/10/2005	12.47	Bella Italy Rockingham	Client Meal	Grant does not provide for purchase of food for clients
Debit	3/10/2005	12.20	Corner Cupboard Rockingham	Client Meal	Grant does not provide for purchase of food for clients
Debit	3/15/2005	399.60	vendor not indicated	Direct Services	No documentation to support expenditure
Debit	3/23/2005	23.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
Debit	3/25/2005	183.55	vendor not indicated	Direct Services	No documentation to support expenditure
Debit	4/7/2005	24.50	vendor not indicated	Direct Services	No documentation to support expenditure
Debit	4/13/2005	46.97	Marshalls Office Supply	Office Supplies	Lack of adequate documentation to show items used by Coalition
Debit	4/25/2005	23.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
Debit	5/16/2005	21.55	Wilco	Gas for Client	No record of client and/or documentation of services provided; not allowed by grants
Debit	5/17/2005	12.83	Auto Zone	car parts	No record of client and/or documentation of services provided; not allowed by grants
Debit	6/9/2005	142.12	vendor not indicated	Direct Services	No documentation to support expenditure
Debit	6/10/2005	10.01	Tru Buy	Gas for Client	No record of client and/or documentation of services provided; not allowed by grants
Debit	6/24/2005	23.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
Debit	6/29/2005	69.48	Advanced Auto	car parts	No record of client and/or documentation of services provided; not allowed by grants
Debit	7/1/2005	69.48	Winn Dixie Rockingham	Direct Services	No record of client and/or documentation of services provided; not allowed by grants
Debit	7/8/2005	59.95	Hardwick Vision Rockingham	Direct Services	No record of client and/or documentation of services provided; not allowed by grants

Table 1 (Continued)					
Anson County Domestic Violence Coalition - Questioned Costs					
Invoice #	Date	Amount	Vendor	For	Reason Questioned
Debit	7/15/2005	\$ 66.00	Hardwick Vision Rockingham	Direct Services	No record of client and/or documentation of services provided; not allowed by grants
Debit	7/18/2005	5.75	Subway	Client Meal	Grant does not provide for purchase of food for clients
Debit	7/18/2005	22.76	Amoco Oil Rockingham	Direct Services	No record of client and/or documentation of services provided; not allowed by grants
1219	7/22/2005	26.24	Wal-Mart	Miscellaneous Supplies	Lack of adequate documentation to show items used by Coalition
1220	7/22/2005	85.00	Computer Zone Rockingham	Computer Repair	Lack of adequate documentation to show items used by Coalition
Debit	7/25/2005	23.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
Debit	7/29/2005	17.82	Bella Italy Rockingham	Client Meal	Grant does not provide for purchase of food for clients
Debit	8/1/2005	21.59	Wilco	Direct Services	No record of client and/or documentation of services provided; not allowed by grants
Debit	8/22/2005	112.22	Staples - Southern Pines	Office Supplies	Lack of adequate documentation to show items used by Coalition
Debit	8/24/2005	23.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
Debit	8/31/2005	146.99	Time Warner Cable	Cable Bill for Client	Grant does not provide for payment of cable bills
Debit	9/26/2005	23.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
Debit	10/24/2005	23.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
1237	11/1/2005	32.48	Parsons	Miscellaneous Supplies	Lack of adequate documentation to show items used by Coalition
Debit	11/7/2005	235.65	Wal-Mart	Miscellaneous Supplies	Lack of adequate documentation to show items used by Coalition
Debit	11/10/2005	85.13	Wal-Mart	Miscellaneous Supplies	Lack of adequate documentation to show items used by Coalition
2359	11/14/2005	32.78	Wal-Mart	Miscellaneous Supplies	Lack of adequate documentation to show items used by Coalition
Debit	11/14/2005	47.08	Lowes Rockingham	Table - Office Furniture	Lack of adequate documentation to show items used by Coalition
1228	11/14/2005	32.60	East Wade Grill	Board meal	Grant funds cannot be used to provide food for staff or Board
Debit	11/25/2005	23.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
1230	12/19/2005	4.16	Papa Joes	Client Meal	Grant does not provide for purchase of food for clients
Debit	12/21/2005	10.96	Subway	Client Meal	Grant does not provide for purchase of food for clients

Table 1 (Continued)					
Anson County Domestic Violence Coalition - Questioned Costs					
Invoice #	Date	Amount	Vendor	For	Reason Questioned
Debit	12/21/2005	\$ 21.15	Bella Italy Rockingham	Client Meal	Grant does not provide for purchase of food for clients
Debit	12/21/2005	23.01	Wilco Rockingham	Gas for Client	No record of client and/or documentation of services provided; not allowed by grants
Debit	12/21/2005	135.17	Wal-Mart	Christmas Items	No record of client and/or documentation of services provided; not allowed by grants
Debit	12/22/2005	83.90	Sam's Club Mathews	Miscellaneous Supplies	Lack of adequate documentation to show items used by Coalition
Debit	12/27/2005	23.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
Debit	12/27/2005	33.00	Wilco - Rockingham	Gas for Client	Lack of adequate documentation to show items used by Coalition
Debit	1/11/2006	30.48	Wal-Mart	Miscellaneous Supplies	Lack of adequate documentation to show items used by Coalition
Debit	1/19/2006	44.82	USPS Rockingham	Postage	Lack of adequate documentation to show items used by Coalition
Debit	1/20/2006	64.19	Onetone Telecom Rockingham	new phone	Lack of adequate documentation to show items used by Coalition
Debit	1/24/2006	23.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
1231	1/24/2006	15.00	Markette #12	Gas for Client	No record of client and/or documentation of services provided; not allowed by grants
Debit	2/1/2006	15.52	Wal-Mart	Office Supplies	Lack of adequate documentation to show items used by Coalition
Debit	2/7/2006	14.24	Wal-Mart	Office Supplies	Lack of adequate documentation to show items used by Coalition
Debit	2/13/2006	28.04	Office Depot Snellville Ga	Office Supplies	Lack of adequate documentation to show items used by Coalition
Debit	2/13/2006	83.24	Office Max Buford Ga	Office Supplies	Lack of adequate documentation to show items used by Coalition
Debit	2/24/2006	23.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
Debit	3/1/2006	100.00	Wilco	Gas for Client	No record of client and/or documentation of services provided; not allowed by grants
Debit	3/16/2006	14.85	Wal-Mart Rockingham	Miscellaneous Supplies	Lack of adequate documentation to show items used by Coalition
Debit	3/17/2006	12.44	CVS Wadesboro	film	No documentation to support expenditure
Debit	3/17/2006	57.55	Wal-Mart	Ink for VA printer	Lack of adequate documentation to show items used by Coalition
Debit	3/21/2006	222.25	Sam's Club Mathews	fundraising stuff	Lack of adequate documentation to show items used by Coalition
Debit	3/31/2006	10.13	Wal-Mart Rockingham	Office Supplies	Lack of adequate documentation to show items used by Coalition

Table 1 (Continued)					
Anson County Domestic Violence Coalition - Questioned Costs					
Invoice #	Date	Amount	Vendor	For	Reason Questioned
Debit	4/17/2006	15.71	La Fogata	Business Lunch	Grant funds cannot be used to purchase food for staff or Board
1240	5/24/2006	\$ 16.77	East Wade Grill	employee appreciation	Grant funds cannot be used to purchase food for staff or Board
Debit	5/25/2006	7.00	Jade Kitchen	Client Meal	Grant does not provide for purchase of food for clients
Debit	5/30/2006	49.69	Office Max Monroe	supplies	Lack of adequate documentation to show items used by Coalition
Debit	6/1/2006	24.24	Mail Box and More - Rockingham	Postage	Lack of adequate documentation to show items used by Coalition
1242	6/1/2006	17.78	East Wade Grill	lunch for staff	Grant funds cannot be used to purchase food for staff or Board
9825	6/5/2006	46.44	Wal-Mart	consumables	No documentation to support expenditure
Debit	6/15/2006	28.01	Petro Gas - Charlotte	Travel Expense	Executive Director received mileage reimbursement for the Charlotte trip
Charge	8/3/2006	374.36	Wal Mart Rockingham	Steak, cool whip, beef, cookies, sodas, diet aides, cat litter	No record of client and/or documentation of services provided; not allowed by grants; do not provide food for clients; use Foodbank
Debit	6/26/2006	20.10	Papa Johns - Rockingham	Client Meal	Grant does not provide for purchase of food for clients
Debit	7/5/2006	20.00	Wilco -	Gas for Client	No record of client and/or documentation of services provided; not allowed by grants
1251	7/14/2006	40.00	Wilco -	Gas for Client	No record of client and/or documentation of services provided; not allowed by grants
Debit	8/1/2006	79.00	South Piedmont Comm. Col.	classes	No record of client and/or documentation of services provided; not allowed by grants
Debit	8/4/2006	53.48	Sprint - Monroe	Telephone	No services provided by Coalition in Monroe
7583	8/16/2006	40.10	Wal-Mart	Laundry detergent, shampoos, conditioner, body wash, feminine products	No record of client and/or documentation of services provided; not allowed by grants
1260	8/16/2006	33.50	Wilco -	Gas for Client	No record of client and/or documentation of services provided; not allowed by grants
7389	8/20/2006	38.34	Wal-Mart	Downy liquid, clothes	No record of client and/or documentation of services provided; not allowed by grants
Debit	8/24/2006	25.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
2580	8/25/2006	159.78	Wal-Mart	cool whip, meats, fresh vegetables, double fudge cake, cat litter	No record of client and/or documentation of services provided; not allowed by grants; do not provide food for clients; use Foodbank
2648	8/25/2006	28.72	Wal-Mart	razor blades, shaving cream, secret, Olay	No record of client and/or documentation of services provided; not allowed by grants
8979	8/28/2006	103.51	Wal-Mart	children school supplies, children's clothes	No record of client and/or documentation of services provided; not allowed by grants
Debit	8/28/2006	12.50	USPS - Rockingham	Postage	Lack of adequate documentation to show items used by Coalition

Table 1 (Continued)					
Anson County Domestic Violence Coalition - Questioned Costs					
Invoice #	Date	Amount	Vendor	For	Reason Questioned
8826	8/30/2006	28.53	Wal-Mart	clorox, paper towels	No record of client and/or documentation of services provided; not allowed by grants
Debit	8/31/2006	\$ 75.00	Computer Zone - Rockingham	Computer Repair	Lack of adequate documentation to show items used by Coalition
Debit	9/6/2006	20.01	Mac's Breakfast	Client Meal	Grant does not provide for purchase of food for clients
5507	9/17/2006	126.53	Wal-Mart	cookies, double fudge cakes, fresh vegetables, sodas, cat litter	No record of client and/or documentation of services provided; not allowed by grants; do not provide food for clients; use Foodbank
1389	9/20/2006	10.51	Wal-Mart	chocolate, fiber therapy, flavoring	No record of client and/or documentation of services provided; not allowed by grants; do not provide food for clients; use Foodbank
Debit	9/20/2006	58.51	Murphy Gas Rockingham	Gas for Client	Do not provide services in Rockingham; No record of client and/or documentation of services provided; not allowed by grants
Debit	9/25/2006	25.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
Debit	9/26/2006	75.00	Staples - payment	Partial Payment	No documentation to support expenditure
Debit	10/9/2006	51.17	Bath & Body - Pineville	employee appreciation	Grants do not allow purchase of personal items for staff
Debit	10/9/2006	47.41	Office Depot - Pineville	Office Supplies	Lack of adequate documentation to show items used by Coalition
Debit	10/13/2006	15.77	Wal-Mart	Diapers	No record of client and/or documentation of services provided; not allowed by grants
Debit	10/16/2006	4.55	USPS - Rockingham	Postage	Lack of adequate documentation to show items used by Coalition
1270	10/18/2006	15.86	East Wade Grill	staff lunch	Grant funds cannot be used to purchase food for staff or Board
Debit	10/20/2006	45.00	Computer Zone - Rockingham	Computer Repair	Lack of adequate documentation to show items used by Coalition
569	10/24/2006	118.62	Wal-Mart	can vegetables, weight watchers, magazines	No record of client and/or documentation of services provided; not allowed by grants; do not provide food for clients; use Foodbank
Debit	10/24/2006	25.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
925	10/26/2006	98.90	Wal-Mart	paper towels, bread, candy	No record of client and/or documentation of services provided; not allowed by grants; do not provide food for clients; use Foodbank
Debit	11/8/2006	12.42	Wilco -	drinks for movers	Grant funds cannot be used to purchase food for staff or Board
Debit	11/8/2006	73.57	Papa Joes	lunch for movers	Grant funds cannot be used to purchase food for staff or Board

Table 1 (Continued)					
Anson County Domestic Violence Coalition - Questioned Costs					
Invoice #	Date	Amount	Vendor	For	Reason Questioned
2512	11/8/2006				
Identical to check #2524		\$ 27.25	East Wade Grill	staff lunch	Grant funds cannot be used to purchase food for staff or Board
2524	11/8/2006				
Identical to check #2512		27.25	East Wade Grill	staff lunch	Grant funds cannot be used to purchase food for staff or Board
7595	11/9/2006	115.18	Wal-Mart	deserts, sodas, dishwasher detergent	No record of client and/or documentation of services provided; not allowed by grants; do not provide food for clients; use Foodbank
7499	11/10/2006	87.02	Wal-Mart	cool whip, double fudge cake, bath mat	No record of client and/or documentation of services provided; not allowed by grants; do not provide food for clients; use Foodbank
Debit	11/24/2006	25.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
Debit	12/10/2006	19.28	Target	Anne Geddes Calendars	Lack of adequate documentation to show items used by Coalition
Debit	12/13/2006	20.31	La Fogata	Business Lunch	Grant funds cannot be used to purchase food for staff or Board
8030	12/14/2006	46.25	Wal-Mart	pineapple, fruits	No record of client and/or documentation of services provided; not allowed by grants; do not provide food for clients; use Foodbank
1236	12/20/2006	24.25	Wal Mart	Christmas Wrapping Paper	Grant funds cannot be used to provide wrapping paper
Debit	1/16/2007	117.55	Staples - Charlotte	Office Furniture	Lack of adequate documentation to show items used by Coalition
Debit	1/16/2007	50.00	Costco - Mathews	Office Furniture	Lack of adequate documentation to show items used by Coalition
Debit	1/24/2007	25.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
Debit	2/26/2007	25.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
Debit	3/24/2007	25.90	AOL	Personal Internet Service	Unapproved personal expense of the ED; not allowed by grants
GRAND TOTAL		\$ 6,585.38			

Table 2					
Anson Domestic Violence Coalition					
Schedule of Pay to Executive Director					
Date	Check Number	Hours of Paid Leave or Bonus *	Gross Salary Paid Year End ("Extra" pay includes the employer's portion of Social Security)		
			Regular	"Extra"	Explanation/ Yearly Total
01/06/04	1906		\$ 1,500.00		
01/20/04	1925		1,500.00		
02/03/04	1929		1,500.00		
02/18/04	1939		1,500.00		
03/01/04	1946		1,500.00		
03/16/04	1961		1,500.00		
03/30/04	1968		1,500.00		
04/12/04	1981		1,500.00		
04/27/04	1994		1,500.00		
05/11/04	2003		1,500.00		
05/25/04	2012		1,500.00		
05/25/04	2594	291		\$ 5,880.11	No info
06/08/04	2020		1,500.00		
06/21/04	2028		1,500.00		
07/06/04	2033		1,500.00		
07/22/04	2042		1,500.00		
08/02/04	2048		1,500.00		
08/16/04	2051		1,500.00		
08/31/04	2060		1,500.00		
09/13/04	2067		1,500.00		
09/24/04	2074		1,500.00		
10/08/04	2077		1,500.00		
10/22/04	2595	416		6,534.69	No info
10/25/04	2095		1,500.00		
11/09/04	2099		1,500.00		
11/23/04	2111		1,500.00		
12/03/04	2116		1,500.00		
12/20/04	2126		1,500.00		
Total for 2004			\$39,000.00	\$12,414.80	\$51,414.80
* Hours of Paid Leave or Bonus includes: <ul style="list-style-type: none"> ▪ "PTO" = additional time over and above the regular work, vacation, sick leave, or compensatory time that would normally be considered paid time. ▪ "Bonus" = Christmas bonus paid without board approval. ▪ "Leave" = Approved 8 hours per month. 					

Table 2 (Continued)					
Anson Domestic Violence Coalition					
Schedule of Pay to Executive Director					
Date	Check Number	Hours of Paid Leave or Bonus *	Gross Salary Paid Year End		
			Regular	"Extra"	Explanation/ Yearly Total
01/03/05	2135		\$ 1,500.00		
01/18/05	2145		1,500.00		
01/31/05	2149		1,500.00		
02/15/05	2162		1,500.00		
02/17/05	2165	80		\$ 1,614.75	PTO
03/02/05	2171		1,500.00		
03/11/05	2173	80		1,614.75	PTO
03/21/05	2187		1,500.00		
03/29/05	2188	80		1,614.75	PTO
04/12/05	2194		1,500.00		
04/21/05	2205	80		1,614.75	PTO
04/26/05	2207		1,500.00		
05/10/05	2215		1,500.00		
05/19/05	2225		1,500.00		
06/08/05	2231		1,500.00		
06/20/05	2242		1,500.00		
07/01/05	2248		1,500.00		
07/15/05	2253		1,500.00		
08/01/05	2259		1,500.00		
08/12/05	2264		1,500.00		
08/29/05	2268		1,500.00		
09/14/05	2277		1,500.00		
09/28/05	2280		1,500.00		
10/10/05	2281		1,500.00		
10/25/05	2291		1,500.00		
11/09/05	2300		1,500.00		
11/21/05	2306	80	1,500.00	1,614.75	PTO
12/07/05	2310		1,500.00		
12/15/05	2316	80		1,614.75	Christmas bonus
12/19/05	2317	80	1,500.00	1,614.75	PTO
Total for 2005			\$37,500.00	\$11,303.25	\$48,803.25

* Hours of Paid Leave or Bonus includes:

- "PTO" = additional time over and above the regular work, vacation, sick leave, or compensatory time that would normally be considered paid time.
- "Bonus" = Christmas bonus paid without board approval.
- "Leave" = Approved 8 hours per month.

Table 2 (Continued)
Anson Domestic Violence Coalition
Schedule of Pay to Executive Director

Date	Check Number	Hours of Paid Leave or Bonus *	Gross Salary Paid Year End ("Extra" pay includes the employer's portion of Social Security)		
			Regular	"Extra"	Explanation/ Yearly Total
1/04/06	2322		\$ 1,500.00		
01/18/06	2326		1,500.00		
01/30/06	2332		1,500.00		
02/15/06	2341		1,500.00		
02/26/06	2346		1,500.00		
03/14/06	2353		1,500.00		
03/28/06	2357		1,500.00		
03/30/06	2365	80		\$ 1,614.75	PTO
04/12/06	2377		1,500.00		
04/12/06	2380	80		1,614.75	PTO
04/25/06	2381		1,500.00		
05/08/06	2391		1,500.00		
05/22/06	2407		1,500.00		
06/06/06	2412		1,500.00		
06/19/06	2418		1,500.00		
07/05/06	1245		1,500.00		
07/18/06	2437		1,500.00		
07/27/06	2446		1,500.00		
08/15/06	2454		1,500.00		
08/28/06	2458		1,500.00		
09/11/06	2467		1,500.00		
09/22/06	2472	80		1,614.75	PTO
09/25/06	2475		1,500.00		
10/08/06	2479		1,500.00		
10/18/06	2498		1,500.00		
10/20/06	2501			1,614.75	Extra pay check
11/02/06	2507		1,500.00		
11/16/06	2516	80	1,500.00	1,614.75	PTO
11/30/06	2520	80	1,500.00	1,614.75	Christmas bonus
12/14/06	2538		1,500.00		
12/28/06	2547		1,500.00		
Total for 2006			\$40,500.00	\$9,688.50	\$50,188.50
* Hours of Paid Leave or Bonus includes: <ul style="list-style-type: none"> ▪ "PTO" = additional time over and above the regular work, vacation, sick leave, or compensatory time that would normally be considered paid time. ▪ "Bonus" = Christmas bonus paid without board approval. ▪ "Leave" = Approved 8 hours per month. 					

Table 2 (Continued)					
Anson Domestic Violence Coalition					
Schedule of Pay to Executive Director					
Date	Check Number	Hours of Paid Leave or Bonus *	Gross Salary Paid Year End ("Extra" pay includes the employer's portion of Social Security)		
			Regular	"Extra"	Explanation/ Yearly Total
01/11/07	2552		\$ 1,500.00		
01/25/07	2566		1,500.00		
02/08/07	2578		1,500.00		
03/02/07	2588	132.5	2,250.00 ⁽¹⁾	\$ 2,678.67	PTO
			⁽¹⁾ Regular salary for 3 weeks		
Total for 2007			\$ 6,750.00	\$ 2,678.67	\$ 9,428.67
GRAND TOTAL		1267	\$ 123,750.00	\$ 36,085.22	\$ 159,835.22
<p>* Hours of Paid Leave or Bonus includes:</p> <ul style="list-style-type: none"> ▪ "PTO" = additional time over and above the regular work, vacation, sick leave, or compensatory time that would normally be considered paid time. ▪ "Bonus" = Christmas bonus paid without board approval. ▪ "Leave" = Approved 8 hours per month. 					

Grantee's Response

DOMESTIC VIOLENCE COALITION OF ANSON COUNTY
P. O. BOX 694
WADESBORO, N C 28170
704-694-4499

May 29, 2007

Leslie W. Merritt, Jr., State Auditor
Office of the State Auditor
20601 S. Salisbury Street
Raleigh, NC 27699-0601

RE: Recent Audit of Anson County Domestic Violence Coalition

Dear Mr. Merritt:

This letter is in response to your letter of May 16, 2007, regarding a recent audit of the Anson County Domestic Violence Coalition and certain recommendations as a result of this audit. When this audit took place, the former director had recently been asked by the Board to resign; the former Chairman and former Board were overseeing the coalition. Presently, as of April 1, 2007, a new Board of Directors has been put in place, and I have agreed to serve as Chairman, to direct this new Board to properly oversee the operation of this organization. We believe we have adequately implemented all recommendations of the auditors. New Policies and Procedures are in place and a new organization constitution is in place. Strict internal controls now exist for all operational and financial responsibilities. The new Board is made up of professionals, including doctors, nurses, accounting professional, and law enforcement, including myself. I will respond to each issue in your May 16th letter and will address how this new Board of Directors is dealing with these issues.

FINDING # 1:

ANSON COUNTY DOMESTIC VIOLENCE COALITION DOES NOT HAVE AN ADEQUATE CHART OF ACCOUNTS TO ALLOW TRACKING OF STATE GRANTS.

RESPONSE:

The new Board agrees that the previous Board did not have an adequate chart of accounts in tracking money. Now, all monies received by the grantee will be deposited into a single checking account. A line item identification will be assigned to all grant monies. When checks are written, the corresponding line-item will be attached to that check, noting the funding source. Thus all checks written will be tracked back to specific funding sources. This will allow clear funding links from State grant expenditures and will allow later review of conformance with terms of any grant contract or funding source. We can provide you a copy of this new program. It has been approved by our financial advisor.

Grantee's Response (continued)

FINDING # 2:

ANSON COUNTY DOMESTIC VIOLENCE COALITION DOES NOT HAVE WRITTEN, COMPLETE, OR UP-TO-DATE POLICIES AND PROCEDURES.

RESPONSE:

The new Board of Directors agrees with the findings that there were, at best, poor and inadequate policies and procedures that governed the former Executive Director as well as the general over-all operation of the Coalition. The new Board has now adopted and implemented a new and more complete set of written Policies and Procedures on May 15, 2007. These Policies and Procedures address the fundamental operational and financial responsibilities of employees; the Board's responsibility of oversight; and are intended to provide strict guidelines for the overall operation of the organization. The new Board has directed the staff to address any areas not adequately covered by these new Policies and Procedures and to present proposed changes or additions to the Board for consideration and approval.

FINDING # 3:

LACK OF INTERNAL CONTROLS ALLOWED \$6,585 IN QUESTIONABLE EXPENDITURES.

RESPONSE

The present (new) Board agrees with the Auditors' finding that weak internal control did exist and there was a lack of questioning of the expenditures of the former Executive Director by the previous Board which amounted to generally "rubber stamping" everything presented to the previous Board by the former Executive Director. In addition to the former Executive Director, all but two of the previous Board members have resigned. The new Board agrees with the Auditors findings that lack of proper oversight by the previous Board resulted in questionable and possibly fraudulent expenditures by the former Executive Director. As stated in above responses, the new Board has implemented strict internal controls and oversights, to prevent a repeat of any of the above stated problems, and it is making every effort to keep the doors of this operation open. The Board has contacted a local attorney to review the Auditors' findings and I have provided the local District Attorney also with a copy of the Auditors' findings along with this response, for the possibility of further legal actions against the former Executive Director.

FINDING # 4:

THE EXECUTIVE DIRECTOR WAS PAID \$36,085 MORE THAT HER APPROVED SALARY FROM THE STATE GRANTS.

RESPONSE:

The Board's response to FINDING #4 is similar to the response in FINDING #3. The Board has contacted and will direct a local attorney to contact the former Executive Director and seek restitution for the extra salary amounts as shown in Table 2, along with questionable and undocumented spending as outlined in FINDING #3. Proper steps have now been taken

Grantee's Response (continued)

to insure all expenditures are approved by the Board and that these expenditures are indeed proper. The Board has also set a policy for employees regarding working over 40 hours per week. No overtime is paid and comp time must be taken in a reasonable time frame, within the next two work periods.

IN SUMMARY:

This new Board of Directors of the Domestic Violence Coalition of Anson County (the Board adopted a new name change) realizes mistakes were made in the past. This new Board has taken immediate steps and made extraordinary efforts to assure that these mistakes by a previous oversight Board are not allowed to happen again. This new Board has met weekly since taking over in March. This new Board has addressed and made changes to this operation to comply with all of the recommendations of the State Auditors' report. We will make every effort to collect any improperly spent funds by the former Executive Director.

Therefore, I ask that as soon as your office is satisfied that all findings in this report have been responded to, that you notify the appropriate state agencies. If continuing funding does not occur on a timely bases, it will be impossible to maintain this operation in Anson County.

Respectfully,



Tommy W. Allen, Jr.
Sheriff/Chairman of the Board
Domestic Violence Coalition of Anson County

cc. Michael Parker, District Attorney