

Video Transcript: “The Grant Award Audit Process Webinar Video 1: Introduction,” August 2018

Welcome to today’s webinar in which we will discuss the Office of the Inspector General’s process for auditing Department of Justice grant awards. We will also describe the lifecycle of a grant award audit, and provide you with examples of audit findings. This is a 5-part series, and videos are broken out by topic area. You can watch them in order to learn about the full lifecycle of a grant audit, or skip around if you are interested in a specific topic. The Department of Justice awards billions of dollars in grant and cooperative agreement funding, which we refer to as “awards” throughout this presentation.

This presentation is for informational purposes only. It does not create or provide any rights to award recipients or other parties relating to the OIG’s audit process, nor does it create any responsibilities for the OIG. Additionally, the information presented here pertains only to grant audits performed by the Department of Justice Office of the Inspector General, and may not describe the practices of the DOJ OIG in other types of audits and reviews, or the practices of OIGs for other federal agencies.

The three major grant awarding agencies in the Department are the Office of Justice Programs, (which is known as OJP), the Office of Community Oriented Policing Services (also referred to as the COPS Office), and the Office on Violence Against Women (known as OVW). OJP is the largest of these awarding agencies. It is up to these awarding components to make the award decision and it is their primary responsibility to monitor those awards.

It is the responsibility of award recipients to ensure they adhere to the laws, regulations, and guidelines that govern awards from the Department of Justice. The specific rules governing each award will vary based on the type of award and the awarding agency. But there are common principles that apply more generally. For example, recipients of awards made after December 26th, 2014 must follow the Office of Management and Budget Uniform Guidance for Federal Awards. Also, Department of Justice award recipients are bound by the financial guide for their granting component. Currently, the DOJ has one consolidated Grants Financial Guide. Each award may also contain special conditions unique to that particular award or program.

In addition, if you as an award recipient expend over 750,000 dollars in federal funds in your organization’s fiscal year, you must arrange for what is called a Single Audit for that year. This is specified in the OMB Uniform Guidance. These Single Audits are usually performed annually and typically by an independent Certified Public Accountant. You should carefully review your award package, including all special conditions, to ensure you are aware of all laws, regulations, and guidelines that govern your award.

Although it is part of the Department of Justice, the Office of the Inspector General is separate from the DOJ agencies that award and monitor award funding, and different from the independent auditors who conduct Single Audits. The Inspector General Act established Inspectors General within agencies of the federal government. The OIG for the Justice Department began operations in April 1989. As a statutorily created independent entity, the

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mission of the OIG is to detect and deter waste, fraud, abuse, and misconduct in DOJ programs and personnel, and to promote economy and efficiency in those programs.

The findings regarding the use of taxpayer funding are reported to the Attorney General, Congress, and the American public. The Inspector General Act authorizes the OIG to conduct independent and objective audits, investigations, and inspections of DOJ activities. Although several OIG Divisions conduct oversight work and investigations related to award recipients, a DOJ award recipient is most likely to encounter teams from the OIG Audit Division.

The OIG’s Audit Division has its headquarters in Washington, DC. Its six regional offices perform audits of DOJ award recipients, and responsibility for conducting audits is divided geographically by region. For example, if an award recipient is located in New York, the OIG’s Philadelphia Regional Audit Office most likely will perform the audit. If the award recipient is in Kansas, the audit likely will be conducted by the OIG’s Denver Regional Audit Office.

The OIG also has an Investigations Division, which investigates alleged violations of fraud, abuse and integrity laws that govern DOJ employees, operations, award recipients, and contractors. In the course of an audit, the OIG may identify potential fraud by an award recipient. Although this is not common, when it occurs, OIG auditors notify OIG investigators.

Thank you for listening to this part of the Grant Award Audit Process webinar. Please make sure to check out the other 4 videos in this series.