



**EDWARD BYRNE MEMORIAL
JUSTICE ASSISTANCE GRANT PROGRAM
GRANTS AWARDED TO
THE OFFICE OF THE GOVERNOR OF KANSAS
TOPEKA, KANSAS**

U.S. Department of Justice
Office of the Inspector General
Audit Division

Audit Report GR-60-10-003
May 2010

EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM GRANTS AWARDED TO THE OFFICE OF THE GOVERNOR OF KANSAS

EXECUTIVE SUMMARY

The Office of the Inspector General, Audit Division, has completed an audit of the Edward Byrne Memorial Justice Assistance Grant Program (JAG), Grant No. 2006-DJ-BX-0038 in the amount of \$2,035,999, and the Recovery Act Edward Byrne Memorial Justice Assistance Grant Program State Solicitation, Grant No. 2009-SU-B9-0030 in the amount of \$12,660,141, awarded by the Office of Justice Programs (OJP), Bureau of Justice Assistance (BJA), to the Office of the Governor of Kansas. Between October 2005 and March 2009, OJP awarded the Office of the Governor of Kansas 6 grants totaling \$22,298,319. The Kansas Governor's Grants Program (KGGP) is a component of the Office of the Governor of Kansas and is responsible for administering the grant awards.

The purpose of the JAG Program is to allow states, tribes, and local governments to support a broad range of activities to prevent and control crime based on their own local needs and conditions. JAG funds can be used for state and local initiatives, technical assistance, training, personnel, equipment, supplies, contractual support, and information systems for criminal justice for any one or more of the following purpose areas:

- Law enforcement programs
- Prosecution and court programs
- Prevention and education programs
- Corrections and community corrections programs
- Drug treatment programs
- Planning, evaluation, and technology improvement programs
- Crime victim and witness programs (other than compensation)

Recovery Act

On February 17, 2009, the President signed into law the American Recovery and Reinvestment Act of 2009 (Recovery Act). The purposes of the Recovery Act are to: (1) preserve and create jobs and promote economic recovery; (2) assist those most impacted by the recession; (3) provide investments needed to increase economic efficiency by spurring technological advances in science and health; (4) invest in transportation, environmental protection, and other infrastructure that will provide long term economic benefits; and (5) stabilize state and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

Through Recovery Act JAG funding, the Department of Justice (DOJ) focused support on all components of the criminal justice system, including multi-jurisdictional drug and gang task forces; crime prevention and domestic violence programs; and courts, corrections, treatment, and justice information sharing initiatives. Recovery Act JAG funded projects could address crime by providing services directly to individuals and communities and by improving the effectiveness and efficiency of criminal justice systems, processes, and procedures.

Audit Results

The purpose of this audit was to determine whether reimbursements claimed for costs under the grants were supported; allowable; and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The objective of our audit was to review performance in the following areas: (1) grant requirements; (2) internal control environment; (3) cash management; (4) program income; (5) grant expenditures; (6) property management; (7) supplanting; (8) management of subrecipients and contractors; (9) Financial Status Reports (FSR), Progress Reports, and Recovery Act Reports; and (10) program performance and accomplishments. We determined that indirect costs, property management, and management of contractors were not applicable to these grants.

As shown in Exhibit 1, the Office of the Governor of Kansas was awarded a total of \$22,298,319 to implement the grant program. However, based on grant activity, we limited our audit to \$14,696,140

in funding awarded under Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030.¹

EXHIBIT 1. EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM GRANTS AWARDED TO THE OFFICE OF THE GOVERNOR OF KANSAS

GRANT AWARD	AWARD START DATE	AWARD END DATE	AWARD AMOUNT
2006-DJ-BX-0038	10/01/2005	09/30/2009	\$ 2,035,999
2007-DJ-BX-0059	10/01/2006	09/30/2010	3,073,598
2008-DJ-BX-0001	10/01/2007	09/30/2011	1,111,269
2008-DJ-BX-0736	10/01/2007	09/30/2011	98,872
2009-DJ-BX-0092	10/01/2008	09/30/2012	3,318,440
2009-SU-B9-0030	03/01/2009	02/28/2013	12,660,141
Total:			\$22,298,319

Source: OJP Grants Management System (GMS)

We examined the KGGP’s accounting records, FSRs, Progress Reports, Recovery Act Reports, and operating policies and procedures and found:

- The financial management system provides for segregation of duties, transaction traceability, system security, and limited access.
- The KGGP accounted for and reported program income accurately.
- The transactions reviewed were generally properly authorized, classified, supported, and charged to the grants.
- All costs associated with payroll and fringe benefits for the pay periods reviewed were supported and reasonable.
- The FSRs reviewed under the grants were submitted in a timely manner and generally accurate.
- The KGGP adequately addressed its mission of improving and supporting law enforcement; prosecution and court; prevention and education; corrections and community corrections; drug treatment; planning, evaluation, and technology improvement; and crime victim and witness programs by awarding a total of

¹ Our audit objective, scope, and methodology are further discussed in Appendix I.

\$13,646,190 in 2006 JAG and Recovery Act JAG funding to 54 subrecipients aimed at addressing the purpose areas established in its applications for Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030.

However, we found that the KGGP's monitoring activities and management of subrecipient files were not sufficient to prevent instances of inaccurate Progress and Recovery Act Reports or unapproved subrecipient expenditures. Specifically, we found:

- Instances of unapproved subrecipient expenditures, including a subrecipient that charged 16 positions to the subgrant when budget documentation only approved 10. This was subsequently remedied with an amendment to the budget, which was approved by the KGGP. Additionally, we found that a subrecipient was charging and being reimbursed for overtime, which was not approved in the subgrant budget documentation. This resulted in the subrecipient being reimbursed \$29,388 in excess of the approved subgrant budget for the period October 1, 2009, through December 31, 2009.
- Only three of the six subrecipients sampled provided adequate and accurate support regarding Progress Reports submitted to the KGGP, two subrecipients did not provide accurate support for Progress Reports, and one subrecipient was not able to provide any supporting documentation for Progress Reports.
- A change made to a subrecipient financial report was not notated, signed, and dated.
- The revised Recovery Act Report covering the period October 1, 2009, through December 31, 2009, was generally accurate. However, we found that only 14 of 26 subrecipients' Job Creation and Retention Reports were accurate and supported, while 12 of 26 subrecipients reported incorrectly on their Job Creation and Retention Reports, which are used to calculate the FTEs reported on the Recovery Act Report.

These items are discussed in detail in the Findings and Recommendations section of the report. Our audit objective, scope, and methodology are discussed in Appendix I.

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INTRODUCTION

The Office of the Inspector General, Audit Division, has completed an audit of the Edward Byrne Memorial Justice Assistance Grant Program, Grant No. 2006-DJ-BX-0038 in the amount of \$2,035,999, and the Recovery Act Edward Byrne Memorial Justice Assistance Grant Program State Solicitation, Grant No. 2009-SU-B9-0030 in the amount of \$12,660,141, awarded by the Office of Justice Programs (OJP), Bureau of Justice Assistance (BJA), to the Office of the Governor of Kansas.¹ The Kansas Governor's Grants Program (KGGP) is a component of the Office of the Governor of Kansas and is responsible for administering the grant awards.

The Edward Byrne Memorial Justice Assistance Grant (JAG) is a formula grant program in which the 50 states, the District of Columbia, American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands are eligible to apply.² The purpose of the JAG Program is to allow states, tribes, and local governments to support a broad range of activities to prevent and control crime based on their own local needs and conditions. JAG funds can be used for state and local initiatives, technical assistance, training, personnel, equipment, supplies, contractual support, and information systems for criminal justice for any one or more of the following purpose areas:

- Law enforcement programs
- Prosecution and court programs
- Prevention and education programs

¹ Since fiscal year (FY) 2006, BJA has awarded \$22,298,319 in Edward Byrne Memorial Justice Assistance Grant funds to the Office of the Governor of Kansas.

² Formula grant programs are noncompetitive awards distributed to states based on a specific funding formula. Byrne grant formula awards are based in part on a state's or territory's share of violent crime and population.

- Corrections and community corrections programs
- Drug treatment programs
- Planning, evaluation, and technology improvement programs
- Crime victim and witness programs (other than compensation)

Recovery Act

On February 17, 2009, the President signed into law the American Recovery and Reinvestment Act of 2009 (Recovery Act). The purposes of the Recovery Act are to: (1) preserve and create jobs and promote economic recovery; (2) assist those most impacted by the recession; (3) provide investments needed to increase economic efficiency by spurring technological advances in science and health; (4) invest in transportation, environmental protection, and other infrastructure that will provide long term economic benefits; and (5) stabilize state and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

Through Recovery Act JAG funding, the Department of Justice (DOJ) focused support on all components of the criminal justice system, including multi-jurisdictional drug and gang task forces; crime prevention and domestic violence programs; and courts, corrections, treatment, and justice information sharing initiatives. Recovery Act JAG funded projects could address crime by providing services directly to individuals and communities and by improving the effectiveness and efficiency of criminal justice systems, processes, and procedures.

Audit Purpose

The purpose of our audit was to determine whether costs claimed under these grants were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The objective of our audit was to review performance in the following areas: (1) grant requirements; (2) internal control environment; (3) cash management; (4) program income; (5) grant expenditures; (6) property management; (7) supplanting; (8) management of subrecipients and contractors; (9) Financial Status Reports (FSR), Progress Reports, and Recovery Act Reports; and (10) program performance and accomplishments.

We determined that indirect costs, property management, and management of contractors were not applicable to these grants.

As shown in Exhibit 1, between October 2005 and March 2009, the Office of the Governor of Kansas was awarded a total of \$22,298,319 in funding under both the JAG and Recovery Act JAG Programs. However, based on grant activity, we limited our audit to \$14,696,140 in funding awarded under Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030.³

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2009-SU-B9-0030	03/01/2009	02/28/2013	12,660,141
Total:			\$22,298,319

Source: OJP Grants Management System (GMS)

Background

OJP’s mission is to increase public safety and improve the fair administration of justice across America through innovative leadership and programs. OJP seeks to accomplish its mission by disseminating state-of-the-art knowledge and practices across America by providing grants for the implementation of these crime fighting strategies. To support this mission, the BJA provides leadership and assistance to local criminal justice programs that improve and reinforce the nation’s criminal justice system, with goals to reduce and prevent crime, violence, and drug abuse and to improve the way in which the criminal justice system functions.

The KGGP administers grant funds and staffs boards and councils focused on improving and supporting public safety, drug and violence prevention, crime intervention, treatment, information technology, the criminal justice system, and crime victim services. By administering federal and state grants to units of state and local government; Native

³ Our audit objective, scope, and methodology are further discussed in Appendix I.

American Tribes; and nonprofit, community, and faith-based organizations, the KGGP aims to enhance the criminal justice system, improve public safety, support crime victim services, and support drug and violence prevention programs throughout Kansas.

OIG Audit Approach

We tested compliance with what we consider to be the most important conditions of the grant awards. Unless otherwise stated in our report, the criteria we audit against are contained in the *OJP Financial Guide*, award documents, Code of Federal Regulations, and Office of Management and Budget Circulars. We tested the KGGP's:

- **internal control environment** to determine whether the internal controls in place for the processing and payment of funds were adequate to safeguard grant funds and ensure compliance with the terms and conditions of the grants.
- **grant drawdowns** to determine whether grant drawdowns were adequately supported and if the KGGP was managing grant receipts in accordance with federal requirements;
- **grant expenditures** to determine the accuracy and allowability of costs charged to the grants;
- **management of subrecipients** to determine how the KGGP administered pass through funds;
- **Financial Status Reports, Progress Reports, and Recovery Act Reports** to determine if the required Financial Status Reports, Progress Reports, and Recovery Act Reports were submitted on time and accurately reflect grant activity; and
- **grant objectives and accomplishments** to determine if the KGGP met or is capable of meeting the grants' objectives.

The results of our analysis are discussed in detail in the Findings and Recommendations section of the report. Our audit objective, scope, and methodology are discussed in Appendix I.

FINDINGS AND RECOMMENDATIONS

Our audit did not disclose any noncompliance with regard to drawdowns and program income. Additionally, we found that grant expenditures were generally properly authorized, classified, and supported; and FSRs were submitted in a timely manner and were cumulatively accurate. We found that the KGGP awarded a total of \$13,646,190 in JAG funding to 54 subrecipients aimed at addressing the purpose areas established in its applications for Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030.⁴ However, we found that training and technical assistance procedures could be utilized and monitoring of subrecipients could be enhanced to reduce the likelihood of inaccurate Progress and Recovery Act Reports and unapproved subrecipient expenditures, including reimbursements to one subrecipient of \$29,388 in excess of the approved subgrant budget. Additionally, we noted that changes made to grant-related documentation were not always notated, signed, and dated. Finally, we found that even though the revised Recovery Act Report covering the period October 1, 2009, through December 31, 2009, was generally accurate, 12 of 26 subrecipients did not report correctly on their Job Creation and Retention Reports, which are used to calculate the FTEs reported on the Recovery Act Report.

Internal Control Environment

We reviewed the State of Kansas's Single Audit Report, policies and procedures, and financial management system to assess the KGGP's risk of noncompliance with laws, regulations, guidelines, and terms and conditions of the grant. We also interviewed individuals from the KGGP regarding payroll, purchasing, and accounts payable and observed the financial management system to further assess risk.

⁴ In its grant applications, the KGGP identified the following general purpose areas: (1) improving and supporting law enforcement; (2) prosecution and court; (3) prevention and education; (4) corrections and community corrections; (5) drug treatment; (6) planning, evaluation, and technology improvement; and (7) crime victim and witness programs. See Appendices II and III for a complete listing of the subrecipient awards funded under Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030.

Single Audit

According to Office of Management and Budget (OMB) Circular A-133, non-federal entities that expend \$500,000 or more in federal awards in a year shall have a single audit conducted. The State of Kansas's fiscal year is from July 1 through June 30, and for FY 2008 the State of Kansas was required to conduct a single audit. We reviewed the FY 2008 Single Audit Report for the State of Kansas and found that the state complied, in all material respects, with the requirements of each of its major federal programs for the year ending June 30, 2008. There were 14 findings in the FY 2008 Single Audit Report; however, none of the findings related to the JAG grants, any other DOJ grant, or the DOJ as a whole.

Financial Management System

The State of Kansas's financial management system is the Statewide Accounting and Reporting System (STARS), which contains applications for grant management, payroll, and fund transfers between two state agencies. Based on our review of STARS policies and procedures, interviews with KGGP personnel, and observation of the system, STARS appears to provide an adequate system of internal controls to ensure compliance with applicable requirements of both the JAG and Recovery Act JAG programs. The financial management system provides for segregation of duties, transaction traceability, system security, and limited access.

Drawdowns

JAG award recipients are permitted to draw down the entire award amount in a lump sum and place the funds in an interest-bearing account. We did not note any issues during our analysis of drawdowns, and noted that the total award amount for Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030 was drawn down and placed in interest-bearing accounts on August 14, 2006, and May 20, 2009, respectively.⁵

⁵ On December 29, 2009, the KGGP returned the remaining balance of \$67.81 to OJP because it was unexpended at the end of the grant period for Grant No. 2006-DJ-BX-0038.

Program Income

According to the *OJP Financial Guide*, all income generated as a direct result of an agency-funded project shall be deemed program income. Interest income on block grants, such as the JAG program must be accounted for and reported as program income. Program income may be used to further program objectives, and any unexpended program income should be remitted to OJP.

During our review of Grant No. 2006-DJ-BX-0038, we found that the KGGP earned interest income totaling \$115,338. Grant officials explained that since the entire award amount is drawn down, funds are placed in an interest-bearing account and any interest earned is allocated to the appropriate budget units and expended first before grant award dollars. In addition to earning interest, grant officials explained that the subrecipients earned program income from asset forfeitures collected from the drug task forces and fees charged to offenders from community corrections.

As shown in Exhibit 2, we confirmed that for Grant No. 2006-DJ-BX-0038, the KGGP and subrecipients earned and expended program income totaling \$184,944, as of the end of the grant on December 29, 2009. Additionally, for Grant No. 2009-SU-B9-0030 we found that the KGGP earned and expended program income, in the form of interest, totaling \$92,257 as of December 31, 2009. Based on our review, we determined that the KGGP accounted for and reported program income accurately.

EXHIBIT 2: PROGRAM INCOME FOR GRANT NOS. 2006-DJ-BX-0038 AND 2009-SU-B9-0030

PROGRAM INCOME PER GRANT	PROGRAM INCOME AMOUNT
GRANT No. 2006-DJ-BX-0038	
KGGP Interest Income	\$ 115,338
Subrecipients' Income	69,606
Total:	\$ 184,944
GRANT No. 2009-SU-B9-0030	
KGGP Interest Income	\$ 92,257
Subrecipients' Income	0
Total:	\$ 92,257

Source: KGGP

Grant Expenditures

The *OJP Financial Guide* also serves as a day-to-day management tool for award recipients and subrecipients in administering grant programs by establishing the factors affecting the allowability, reasonableness, and allocability of both direct and indirect costs charged to DOJ grants.

Personnel Expenses

We reviewed KGGP's personnel files and identified 12 individuals who were paid with funds from Grant No. 2006-DJ-BX-0038, and 4 individuals who were paid with funds from Grant No. 2009-SU-B9-0030. For each grant, we traced labor costs to timesheets for two nonconsecutive pay periods in order to verify these costs were computed correctly, properly authorized, accurately recorded, and properly allocated to the grants.⁶ Based on our review, we found that all costs associated with payroll and fringe benefits for the pay periods selected were supported and reasonable.

Other Direct Costs

We also reviewed the general ledger accounts for Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030, and selected a sample of 50 transactions from each grant, totaling \$2,116,924.⁷ For each grant, our sample included 25 transactions incurred by the KGGP and 25 incurred by subrecipients. We found that the transactions reviewed were generally properly authorized, classified, supported, and charged to the JAG and Recovery Act JAG programs.

The KGGP spent \$1,470,244 in Recovery Act funding as of November 25, 2009, and obligated \$11,527,980 in subawards. Specifically, the KGGP obligated \$1,106,081 for law enforcement; \$2,230,557 for prosecution and courts; \$7,209,774 for corrections and community corrections; and \$981,568 for planning, evaluation, and technology improvement.

⁶ For Grant No. 2006-DJ-BX-0038, we reviewed a sample of six employees paid during each pay period ending September 22, 2007, and August 23, 2008. For Grant No. 2009-SU-B9-0030, we reviewed all employees paid during the pay periods ending July 11, 2009, and November 14, 2009.

⁷ Specifically, we reviewed \$767,223 of \$2,151,269 expenses for Grant No. 2006-DJ-BX-0038, and \$1,349,701 of \$1,470,244 expenses for Grant No. 2009-SU-B9-0030.

Supplanting

According to OJP, federal funds must be used to supplement existing state and local funds for program activities and must not replace those funds that have been appropriated for the same purpose. To determine whether the KGGP used grant funds to supplant existing state and local funds for program activities, we reviewed the state budgets for FYs 2006 and 2007 for Grant No. 2006-DJ-BX-0038, as well as the state budgets for FYs 2009 and 2010 for Grant No. 2009-SU-B9-0030. Based on our review of the state budgets, we found no indication that the KGGP used federal funds to supplant state funds.

Management of Subrecipients

In order to appropriately manage subrecipients, the KGGP implemented the *Kansas Governor's Grants Program Grant Procedures*.⁸ These procedures detail the activities applicable to subawards including: (1) solicitation/application, (2) grant review and decision, (3) reporting procedures, (4) payment procedures, (5) grant budget revision, (6) grant compliance procedures, and (7) closeout procedures. KGGP officials explained that the policies and procedures used to manage subrecipients for previous and current JAG grants are the same policies and procedures being used to manage the subrecipients of the Recovery Act JAG grant. However, due to the additional requirements in the Recovery Act JAG grant, policies and procedures have been put in place to comply with those requirements. An example of this includes the development of the Job Creation and Retention Report Form and the reporting requirements established to complete and submit this form.

⁸ We reviewed the five revisions to the *Kansas Governor's Grants Program Grant Procedures* manual effective for the JAG grants, beginning with the manual revised January 2005, which was effective for the October 1, 2005 award start date for Grant No. 2006-DJ-BX-0038. We determined that there were no significant procedure changes made in the five revisions to the manual.

Solicitation Process

We determined that KGGP officials solicited applications for grant funding under both Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030. KGGP officials stated that the solicitations were placed in the Kansas State Register and awards were made on a competitive basis. The KGGP's plans to award subgrants for Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030 are listed in Exhibit 3.

EXHIBIT 3: KGGP PLANS TO AWARD SUBGRANTS FOR GRANT NOS. 2006-DJ-BX-0038 AND 2009-SU-B9-0030

Grant No. 2006-DJ-BX-0038	
Date Awarded to KGGP ⁹	March 1, 2006
Date of State-level solicitation to subrecipients	March 16, 2006
Date that applications are required to be returned	April 24, 2006
Date that awards were planned to be made	July 1, 2006
Grant No. 2009-SU-B9-0030	
Date Awarded to KGGP ⁹	April 29, 2009
Date of State-level solicitation to subrecipients	May 28, 2009
Date that applications are required to be returned	June 16, 2009
Date that awards were planned to be made	July 1, 2009

Source: KGGP

Based on our review of the solicitations for subrecipients, we found that the solicitations accurately and fully describe the grant program, requirements of the program, and that awards were planned to be awarded promptly.

Awards Process

According to KGGP officials and the *Kansas Governor's Grants Program Grant Procedures*, the awarding process for subrecipients is as follows:

⁹ BJA awarded Grant No. 2006-DJ-BX-0038 on March 1, 2006; however, the award period started on October 1, 2005. Additionally, for Grant No. 2009-SU-B9-0030, BJA awarded the grant on April 29, 2009; however, the award period started on March 1, 2009.

1. The applications are reviewed for completeness.¹⁰
2. Reviewers review each application and make recommendations to the Kansas Criminal Justice Coordinating Council (KCJCC).¹¹
3. The KCJCC conducts a review of each application.
4. The KCJCC then confirms the amount of money available.
5. The KCJCC meets to discuss reviewers' recommendations, discuss the KCJCC's review of applications, and to determine which subrecipients will receive funding, including the amount of the award.

A KCJCC official explained that when selecting subrecipient projects, the KCJCC considers annual needs and social trends, as these can influence what priorities are given to subrecipient selection. Therefore, funding for subrecipient projects may not fall into each purpose area. We reviewed a sample of 20 applications for Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030. For each grant, we selected five applications that were awarded subgrant funding and five applications that were denied or awarded partial subgrant funding. Additionally, for each application we requested any documentation, including meeting minutes from the KCJCC regarding the selection of subgrant applications. Based on our review, we found that the KGGP followed the policies outlined above for funding applications under Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030.

¹⁰ If an application is incomplete it is not immediately denied; however, if awarded, special conditions relating to the missing information are added to the award documentation and are required to be submitted prior to the subrecipient's use of funds.

¹¹ The KGGP is responsible for administering the JAG grants and providing staffing for the KCJCC. The KCJCC was created by the 1994 Legislature and is responsible for overseeing criminal justice issues in the state. One of the duties of the KCJCC is to develop and oversee reporting of all criminal justice federal funding available to the state or local units of government including the designation and functions of administering the BJA grant programs. The members of the KCJCC are statutorily appointed and consist of the Governor or designee, the Chief Justice of the Supreme Court or designee, the Attorney General or designee, the Secretary of Corrections, the Superintendent of the Highway Patrol, the Commissioner of Juvenile Justice Authority, and the Director of the Kansas Bureau of Investigation.

Training and Technical Assistance

According to the *Kansas Governor's Grants Program Grant Procedures*, KGGP staff assists in providing on-going technical assistance to subrecipients. Technical assistance is provided by telephone, e-mail, in writing, or in person, and all contact is recorded in the KGGP's grant management system. KGGP officials provided examples of training and technical assistance relating to the use of each reporting form with an emphasis on the Job Creation and Retention Report Form used for the Recovery Act. However, based on the issue identified in the Monitoring section of this report, in our judgment, the KGGP should utilize its training and technical assistance procedures to reduce the likelihood of inaccurate Progress and Recovery Act Reports.

Management of Funds

According to the *Kansas Governor's Grants Program Grant Procedures*, grant payments to subrecipients generally occur on a monthly basis. A KGGP official explained that grant payments are made based on the monthly financial reports submitted by subrecipients, which must be reviewed and approved by KGGP officials before payments are processed.

As mentioned previously, we selected a sample of 50 transactions from each grant, 25 of which were incurred by subrecipients. We found that the subrecipient transactions reviewed were generally properly authorized, classified, supported, and charged to both Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030. Based on our testing, we determined that the KGGP's process for management of funds appears sufficient to ensure accountability for subrecipients' requests for funds.

Monitoring

Grant monitoring is an essential tool to ensure that grant programs are implemented, objectives are achieved, and grant funds are properly expended. To this end, OJP requires that sub awards be monitored throughout the life of the grant to ensure that: (1) the subrecipient complies with the programmatic, administrative, and fiscal requirements of the relevant statutes, regulations, policies, and guidelines; (2) programs initiated by the subrecipient are carried out in a manner consistent with the relevant statutes, regulations, policies, and guidelines of the program; (3) the subrecipient is provided

guidance on policies and procedures, grant program requirements, general federal regulations, and basic programmatic, administrative, and financial reporting requirements; and (4) any problems that may impede the effective implementation of grant programs are identified and resolved.

According to the *Kansas Governor's Grants Program Grant Procedures*, the following monitoring activities are performed:

- **Grant Compliance Policies and Procedures** – KGGP staff assists in providing on-going technical assistance to subrecipients. Technical assistance is provided by telephone, e-mail, in writing, or in person, and all contact is recorded in the KGGP's grant management system.
- **On-Site Grant Project Compliance Reviews** – On-site reviews include interviews of subrecipient staff, review and verification of programmatic and statistical information to determine progress toward meeting project objectives, and review of financial documentation for a random 3 months of grant activity for approved and allowable costs.¹²
- **Desk Grant Project Compliance Reviews** – Desk Reviews include a review and verification of financial, programmatic, and statistical documentation over a predetermined 3-month period for approved and allowable costs and for progress toward meeting proposed objectives.

KGGP officials explained that currently there is one dedicated staff analyst responsible for monitoring the subrecipients for all of the JAG grants and another staff analyst responsible for monitoring the subrecipients for the Recovery Act JAG grant.¹³ These staff analysts use a standard Grant Project Compliance Report Form for monitoring purposes, which addresses areas including:

¹² According to *Kansas Governor's Grants Program Grant Procedures*, every effort is made to ensure that each subrecipient receives at least one site visit or desk compliance review annually.

¹³ In addition to the dedicated staff analysts, additional KGGP staff provides a percentage of their time to each grant.

• COMMUNITY INVOLVEMENT
• MONITORING PROGRAM ACTIVITY AND ACCOMPLISHMENTS
• CURRENT AUDIT STATUS
• FINANCIAL SYSTEM AND ACCOUNTING POLICIES AND PROCEDURES
• PERSONNEL PAID WITH GRANT FUNDS
• BUDGETED ITEMS PAID WITH GRANT FUNDS

We reviewed 5 on-site monitoring reports, including 3 of 45 monitoring reports for Grant No. 2006-DJ-BX-0038, and the only 2 monitoring reports completed as of the beginning of our fieldwork for Grant No. 2009-SU-B9-0030. Based on our review of the monitoring reports, findings noted in these reports, and closure of findings recorded in the KGGP's grant management system, we determined that monitoring procedures had been properly executed and any findings or recommendations regarding subrecipient site visits were corrected. However, we identified areas in which the KGGP should consider enhancing its subrecipient monitoring activities to reduce the likelihood of inaccurate report data and unapproved subrecipient expenditures.

As described in the *Kansas Governor's Grants Program Grant Procedures*, Progress and Financial Reports are to be reviewed and verified during site visits and desk reviews. As noted in the Reports section of this report, we reviewed the accuracy of subrecipient Progress Reports submitted for Grant No. 2006-DJ-BX-0038 and found that of the six subrecipients reviewed, two subrecipients did not provide accurate support, and one subrecipient was not able to provide any supporting documentation for Progress Reports. Additionally, we determined that the revised Recovery Act Report covering the period October 1, 2009, through December 31, 2009, was generally accurate. However, we noted minor discrepancies with documentation to support hours funded using Recovery Act funds for 12 of the 26 subrecipients.

Furthermore, while reviewing the supporting documentation provided by the subrecipients, we identified inaccuracies in the Recovery Act Report that KGGP officials were unaware of. For example, a subrecipient had been charging 16 positions to the subgrant when budget documentation had only approved 10. After we notified the KGGP, the KGGP contacted the subrecipient, who explained that they were able to fund the additional positions because the original estimate in the subgrant application was based on the assumption that all positions would be allocated 100 percent to the

grant. It was later determined that the positions are allocated 80 percent to juvenile supervision, with the balance allocated to other activities, and as a result 6 additional positions could be funded with the subaward. Subsequently, the subrecipient requested an amendment to its budget and the amendment was approved by the KGGP.

Additionally, we found that a subrecipient was charging and being reimbursed for overtime, which was not approved in the subgrant budget documentation. Instead, the budget covered 2 years and specified an hourly rate, funding 6 positions for 4,160 hours and 1 position for 3,200 hours, plus fringe benefits. Using the information in the approved subgrant budget and the subrecipient's financial reports, we determined that for the period October 1, 2009, through December 31, 2009, this subrecipient claimed on its financial reports and was reimbursed \$29,388 in excess of the approved subgrant budget. In our judgment, the KGGP should work with the subrecipient to remedy the excess reimbursements received for overtime not approved in the subgrant budget.

The inaccuracies identified during our review of the Progress and Recovery Act Report supporting documentation, indicated that the monitoring practices are not adequate to prevent discrepancies in Progress and Recovery Act Reports. Therefore, based on the discrepancies noted above, we recommend that the KGGP enhance its subrecipient monitoring activities to reduce the likelihood of inaccurate Progress and Recovery Act Reports or unapproved subrecipient expenditures.

Reports

According to the *OJP Financial Guide*, award recipients are required to submit both financial and program reports. These reports describe the status of the funds and the project, compare actual accomplishments to the objectives, and report other pertinent information. We reviewed the FSRs, the annual Progress Reports, and the Recovery Act Reports submitted by the KGGP to determine whether each report was timely and accurate.

Subrecipient Reporting

According to the *Kansas Governor's Grants Program Grant Procedures*, subrecipients are notified of the grant reporting requirements prior to the start of a grant award project period.

Additionally, reporting requirements packets are emailed to each subrecipient, along with grant award notification and grant assurances. Procedures, due dates, and reporting forms are included in the grant reporting requirements packet. The KGGP's grant management system monitors and notifies subrecipients of any overdue reports. Our review of the state's process for managing subrecipient Recovery Act Reports, Progress Reports, and financial reports found that these polices generally ensured timely and accurate reports. However, discrepancies regarding the accuracy of reports are detailed in the following sections of this report.

Financial Status Reports

According to the *OJP Financial Guide*, quarterly FSRs are due no later than 45 days after the end of the quarter, with the final FSR due within 90 days after the end date of the award. We reviewed the timeliness of the last four FSRs submitted during the award period for Grant No. 2006-DJ-BX-0038 and the last three FSRs submitted during the award period for Grant No. 2009-SU-B9-0030. Based on our review, we found that the KGGP submitted each report in a timely manner.

We also reviewed the accuracy of the last four FSRs submitted during the award period for Grant No. 2006-DJ-BX-0038 and the last three FSRs submitted during the award period for Grant No. 2009-SU-B9-0030. Based on our review, we found that FSRs submitted under Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030 were generally accurate. However, as shown in Exhibit 4, we identified a minor discrepancy that carried itself through three of the four FSRs reviewed for Grant No. 2006-DJ-BX-0038.

EXHIBIT 4. FSR ACCURACY FOR GRANT NO. 2006-DJ-BX-0038

FSR No.	FSR REPORT PERIOD END DATE	CUMULATIVE EXPENSES PER FSR	CUMULATIVE EXPENSES PER ACCOUNTING RECORD	DIFFERENCE BETWEEN FSRs & ACCOUNTING RECORDS
13	12/31/2008	\$1,868,901	\$1,868,551	\$350
14	03/31/2009	1,907,044	1,906,694	350
15	06/30/2009	1,963,818	1,963,468	350
16	09/30/2009	2,035,931	2,035,931	0

Source: GMS and KGGP

We asked KGGP officials about the discrepancy and they provided a document from a subrecipient's grant file with handwritten

changes to explain the difference between the FSRs and supporting documentation. During our initial review, we retrieved the same document from that subrecipient's file; however, there was no indication when these changes occurred. Although, the new document provided by the KGGP explained that based on supporting documentation received at a later date, the FSR was revised and appeared to reconcile the difference; in our judgment, any changes that are made to FSRs or any other documents in the subrecipient grant files should be notated, signed, and dated in order to track changes in grant-related documentation.

In spite of the minor discrepancy noted above, we found that the final FSR submitted was accurate. Since there is no cumulative difference between what was reported on the FSRs and grant expenditures as of September 30, 2009, we take no exception to the accuracy of the FSRs submitted under this grant.

Annual Progress Reports

OJP requires all JAG recipients to submit annual progress reports. For FY 2008 and prior, the permanent annual reporting period for all state and local JAG awards is January 1 through December 31, with reports due March 31. For FY 2009 and forward, including Recovery Act JAG grants, state recipients must submit annual progress reports and quarterly Performance Metric Tool (PMT) reports. The annual progress reporting period is the award start date through September 30, with reports due November 29. The quarterly PMT reports are due on the 30th of the month following the close of a quarter. State recipients may use the four PMT reports to satisfy the annual reporting requirement by uploading the reports into the OJP Grant Management System.

We reviewed the last two Progress Reports submitted during the award period for Grant No. 2006-DJ-BX-0038, and the first Performance Measurement Tool Report submitted for Grant No. 2009-SU-B9-0030, and found that the KGGP submitted each report in a timely manner.

KGGP officials explained that in order to obtain all necessary information to complete the Progress Report, subrecipients are required to submit quarterly Progress Reports. KGGP officials compile these reports in a summary spreadsheet that is used to prepare the annual Progress Report. In order to verify the accuracy of the KGGP's annual Progress Reports, we selected a sample of 6 of the

48 subgrants awarded funding from Grant No. 2006-DJ-BX-0038. We verified performance data reported in the last four quarterly Progress Reports by comparing the reported data to supporting documentation provided by each subrecipient. We found that three of the six subrecipients sampled provided adequate and accurate support regarding Progress Reports submitted to the KGGP, two subrecipients did not provide accurate support for Progress Reports, and one subrecipient was not able to provide any supporting documentation for Progress Reports. We discussed these issues with KGGP officials who concurred and could not explain why the subrecipients were unable to support the reported information. This matter is discussed further in the Monitoring section of this report.

Quarterly Recovery Act Reports

In addition to standard reporting requirements, grantees receiving Recovery Act funding must also submit quarterly reports, which require both financial and programmatic data specific to Recovery Act activities. According to BJA and OMB guidance, Recovery Act Reports are due 10 days after the close of each quarter.¹⁴

We reviewed the last two Recovery Act Reports for timeliness and found that the KGGP submitted each report in a timely manner. The KGGP officials explained that in order to have timely completion and submission of the quarterly Recovery Act Reports, subrecipients are required to submit the information related to the jobs funded by the Recovery Act to the KGGP 5 days after the end of the quarter. In order to expedite this process and ensure comparable data, the KGGP developed a Job Creation and Retention Report Form for subrecipients to complete and submit through the KGGP's grant management system. After the KGGP receives the subrecipients' reports, they have 5 days to compile the information, complete the Recovery Act Report, and submit on FederalReporting.gov. The KGGP officials explained that they do not have sufficient time and resources in those remaining 5 days to verify the subrecipients' data for accuracy.¹⁵

¹⁴ According to FederalReporting.gov guidance, the recipient reporting due date of January 10, 2010, was extended to January 22, 2010.

¹⁵ Prior to the January 2010 Recovery Act Report submission, the OMB issued Memorandum 10-08, which beginning February 2, 2010, allows for the "continuous corrections of data" submitted to FederalReporting.gov. "Continuous corrections of data" allows for corrections of data submitted to FederalReporting.gov only during the current reporting quarter.

As a result, we reviewed the most recent Recovery Act Report for accuracy. According to OMB guidance, the reports aim to provide transparency into the use of these funds. The Recovery Act Reports are required to include the following information.

- Total amount of funds received and the amount of funds spent on projects and activities.
- A list of those projects and activities funded by name, including a description, completion status, and estimates on jobs created or retained.
- Details on subawards and other payments.

In the Recovery Act Reports, the data pertaining to jobs created and retained is reported as Full Time Equivalents (FTE). According to OMB Memorandum 10-08, dated December 18, 2009, the formula for calculating FTEs is represented as follows:

TOTAL NUMBER OF HOURS WORKED AND FUNDED BY RECOVERY ACT WITHIN REPORTING QUARTER	÷	QUARTERLY HOURS IN A FULL-TIME SCHEDULE¹⁶	=	FTEs
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In order to report the number of FTEs funded by the Recovery Act, the KGGP utilizes a Job Creation and Retention Report Form, to gather information from the subrecipients. For each position funded with Recovery Act funds, the subrecipients report the number of hours worked for the quarter on the Job Creation and Retention Reports. The KGGP uses the hours reported on the Job Creation and Retention Reports, along with Administration hours, to calculate the number of FTEs to be reported on the Recovery Act Report.¹⁷

In the KGGP's original Recovery Act Report submission for the period, October 1, 2009, through December 31, 2009, dated on January 8, 2010, the KGGP reported 176.636 FTEs created or retained. In order to verify the total number of FTEs reported by the KGGP on the Recovery Act Report, we requested all subrecipients' Job Creation

¹⁶ OMB Memorandum 10-08 describes the calculation for Quarterly Hours in a Full-time Schedule as 520 hours (2,080 hours annually divided by 4 quarters).

¹⁷ The KGGP administers Grant No. 2009-SU-B9-0030 and is permitted to use up to 10 percent of the award for administration of the grant. Therefore, the KGGP must include the quarterly administration hours when calculating the FTEs funded by the Recovery Act before reporting this amount on the Recovery Act Report.

and Retention Reports and supporting documentation. After we began verifying the hours reported by the subrecipients on the Job Creation and Retention Reports, we identified discrepancies regarding the total number of hours worked. As a result, the KGGP chose to review supporting documentation in order to verify subrecipients' data and submit a revised Recovery Act Report. The revised Recovery Act Report for the period, October 1, 2009, through December 31, 2009, submitted on February 4, 2010, showed 175.568 FTEs created or retained. We reviewed the revised Recovery Act Report for accuracy and noted minor discrepancies regarding the total number of FTEs reported.

As shown in Exhibit 5, we determined that 14 of 26 subrecipients' Job Creation and Retention Reports were accurate and supported, while 12 of 26 subrecipients reported incorrectly on their Job Creation and Retention Reports, which are used to calculate the FTEs reported on the Recovery Act Report. We also found that KGGP officials reported accurate and supported hours in regards to the administration of the grant.

EXHIBIT 5. ACCURACY OF FTEs REPORTED FOR OCTOBER 1, 2009, THROUGH DECEMBER 31, 2009¹⁸

SUBRECIPIENT NUMBER	NUMBER OF POSITIONS FUNDED	TOTAL FTEs REPORTED	TOTAL SUPPORTED FTEs	DIFFERENCE
RA-JAG-02 ¹⁹	1	.038	.038	0
RA-JAG-03	1	.513	.497	.016
RA-JAG-04	1	.974	.973	.001
RA-JAG-05	1	.271	.271	0
RA-JAG-06 ²⁰	0	0	0	0
RA-JAG-07	1	1.070	1.070	0
RA-JAG-08	1	.003	.223	-.220
RA-JAG-09 ²⁰	0	0	0	0
RA-JAG-10 ²⁰	0	0	0	0
RA-JAG-11	1	1.015	1.015	0
RA-JAG-12 ²⁰	0	0	0	0
RA-JAG-13	1	.236	.267	-.032
RA-JAG-14	3	3.031	3.154	-.123
RA-JAG-15	4	.508	.454	.053
RA-JAG-16 ²⁰	0	0	0	0
RA-JAG-17	1	1.046	1.021	.025
RA-JAG-18	2	2.031	2.031	0
RA-JAG-19	3	2.640	2.640	0
RA-JAG-20	6	4.026	3.983	.043
RA-JAG-21	58	56.986	57.018	-.033
RA-JAG-22 ²⁰	0	0	0	0
RA-JAG-23	7	8.477	7.207	1.270
RA-JAG-24	16	12.393	12.254	.139
RA-JAG-25	0 ²¹	68.970	68.556	.414
RA-JAG-26	11	9.127	9.127	0
RA-JAG-27	1	1.015	1.015	0
Administration	1 ²²	1.197	1.197	0
Total	—²³	175.568	174.013	1.555

Source: Recovery.gov, KGGP, and subrecipients

¹⁸ Any differences in Exhibit 5 are due to rounding. The sum of individual numbers prior to rounding may differ from the sum of the individual numbers rounded.

¹⁹ During our review, KGGP officials informed us that subrecipient number RA-JAG-01 declined the subaward. As a result, subawards made under Grant No. 2009 SU-B9-0030 started with subrecipient number RA-JAG-02.

²⁰ These subrecipients had no activity during the period.

²¹ The award received by subrecipient number RA-JAG-25 funded 0 positions; instead, it was to reduce the number of furlough days.

²² Administration funds one staff analyst responsible for monitoring the Recovery Act JAG subrecipients and other KGGP personnel's time allocated to the Recovery Act JAG grant.

²³ We do not report a total for the number of positions funded because subrecipient number RA-JAG-25 was to reduce furlough days.

Based on our review, we determined that the Recovery Act Report covering the period October 1, 2009, through December 31, 2009, was generally accurate. However, because we noted minor discrepancies with documentation to support hours funded using Recovery Act funds for 12 of the 26 subrecipients; in our judgment, the KGGP should consider additional monitoring activities to ensure that more serious discrepancies do not occur and future submissions to FederalReporting.gov are as complete and accurate as possible. Additionally, we recommend the KGGP utilize the continuous correction of data rule to ensure the Recovery Act FTE data reported to FederalReporting.gov is verified and accurate. This matter is discussed further in the Monitoring section of this report.

Program Performance and Accomplishments

The KGGP ensures funds are used in accordance with JAG requirements by first awarding subgrants within the allowable JAG purpose areas described in the BJA solicitation. These purpose areas are also described in the KGGP's JAG solicitations. Next, the KGGP ensures the funds are used in accordance with JAG requirements by monitoring the subrecipients and ensuring expenses are used in accordance with the subaward. Monitoring is through On-Site Grant Project Compliance Reviews, Desk Grant Project Compliance Reviews, and review of subrecipient progress and financial reports.

In order to evaluate program performance under both Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030, we interviewed KGGP officials regarding the expected program outcomes. According to the purpose statements provided by the KGGP, we found that the KGGP utilized Grant No. 2006-DJ-BX-0038 to address the following:

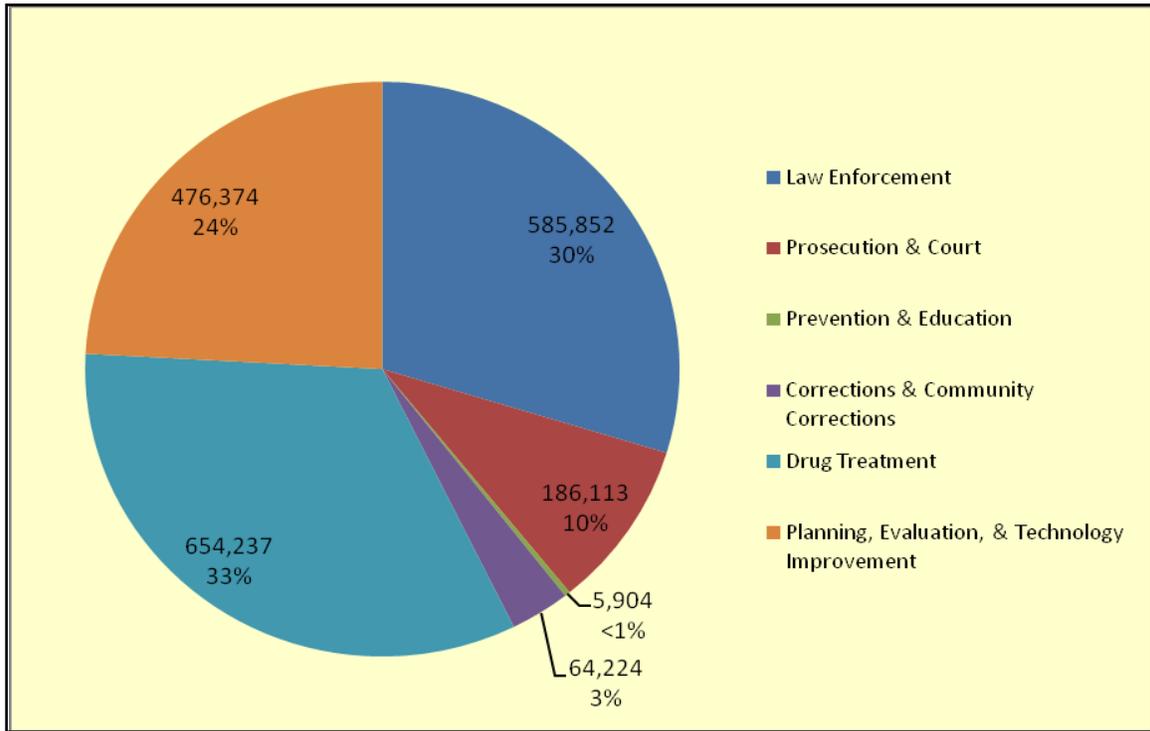
<ul style="list-style-type: none"> • LAW ENFORCEMENT PROGRAMS - TO CONTINUE SUPPORT OF DRUG TASK FORCES AND EQUIPMENT NEEDS OF LAW ENFORCEMENT
<ul style="list-style-type: none"> • PLANNING, EVALUATION, AND TECHNOLOGY IMPROVEMENT PROGRAMS - TO CONTINUE THE ENHANCEMENT AND SUPPORT OF THE CRIMINAL JUSTICE INFORMATION SYSTEM
<ul style="list-style-type: none"> • DRUG TREATMENT PROGRAMS - TO CONTINUE EFFORTS THAT ADDRESS TREATMENT EFFORTS AS AN ALTERNATIVE TO INCARCERATION
<ul style="list-style-type: none"> • PROSECUTION AND COURT PROGRAMS - TO ENHANCE THE PROSECUTION AND COURT EFFORTS OF THE CRIMINAL JUSTICE SYSTEM
<ul style="list-style-type: none"> • CORRECTIONS AND COMMUNITY CORRECTIONS PROGRAMS - TO ASSIST THE STATE AND LOCAL CORRECTIONS PROGRAMS IN WORKING WITH OFFENDERS AND CRIME VICTIMS
<ul style="list-style-type: none"> • PREVENTION AND EDUCATION PROGRAMS - TO PROVIDE RESOURCES FOR THE PREVENTION OF CRIME

KGGP officials stated that grant funding was provided to each of these six purpose areas.²⁴ As shown in Exhibit 6 and described in Appendix II, we determined that JAG funds were awarded and expended by subrecipients within each purpose area mentioned.²⁵

²⁴ See Appendices II and III for a breakdown by purpose area of awards made under Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030.

²⁵ A KGGP official explained that for Grant No. 2006-DJ-BX-0038, the KGGP awarded \$2,118,210 in subgrants, inclusive of funds that were deobligated and reobligated, cumulatively over a four-year period. At the end of the federal grant period, \$1,972,704 of the subawards had been expended by the subrecipients.

EXHIBIT 6. GRANT NO. 2006-DJ-BX-0038 EXPENDITURES BY PURPOSE AREA



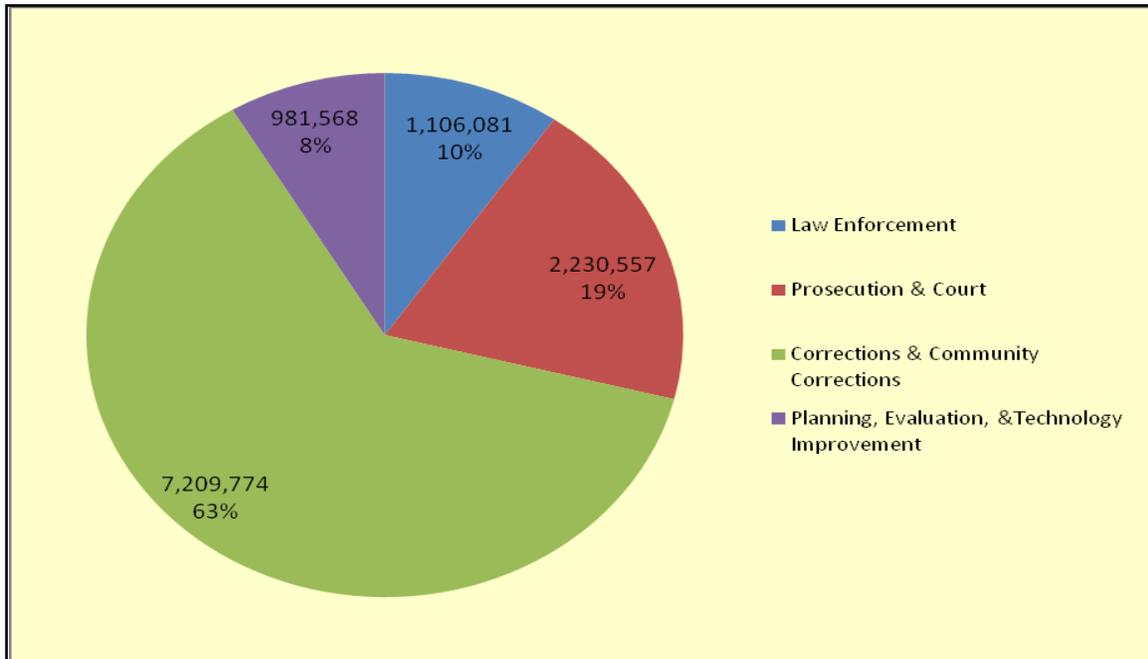
Source: KGGP

Also, KGGP officials stated that the overall expected program outcomes for the Recovery Act JAG is job retention and job creation in the following seven JAG purpose areas:

• LAW ENFORCEMENT PROGRAMS
• PROSECUTION AND COURT PROGRAMS
• PREVENTION AND EDUCATION PROGRAMS
• CORRECTIONS AND COMMUNITY CORRECTIONS PROGRAMS
• DRUG TREATMENT AND ENFORCEMENT PROGRAMS
• PLANNING, EVALUATION, AND TECHNOLOGY IMPROVEMENT PROGRAMS
• CRIME VICTIM AND WITNESS PROGRAMS

As shown in Exhibit 7 and described in Appendix III, we determined that the Recovery Act JAG funds were obligated to subrecipients within four of the seven purpose areas mentioned. A KGGP official explained that the subaward application allows for applicants to apply in any of the seven purpose areas; however, since not all applications were approved, the KGGP only funded subawards in four purpose areas under Grant No. 2009-SU-B9-0030.

EXHIBIT 7. GRANT NO. 2009-SU-B9-0030 OBLIGATED BY PURPOSE AREA



Source: KGGP

By awarding \$13,646,190 in JAG funding to 54 subrecipients aimed at improving and supporting law enforcement; prosecution and court; prevention and education; corrections and community corrections; drug treatment; planning, evaluation, and technology improvement; and crime victim and witness programs, we believe the KGGP adequately addressed the purpose areas established in its applications for Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030.

Conclusion

We examined the KGGP's accounting records, FSRs, Progress Reports, Recovery Act Reports, and operating policies and procedures and found:

- The financial management system provides for segregation of duties, transaction traceability, system security, and limited access.
- The KGGP accounted for and reported program income accurately.

- The transactions reviewed were generally properly authorized, classified, supported, and charged to the grants.
- All costs associated with payroll and fringe benefits for the pay periods reviewed were supported and reasonable.
- The FSRs reviewed under the grants were submitted in a timely manner and generally accurate.
- The KGGP adequately addressed its mission of improving and supporting law enforcement; prosecution and court; prevention and education; corrections and community corrections; drug treatment; planning, evaluation, and technology improvement; and crime victim and witness programs by awarding a total of \$13,646,190 in 2006 JAG and Recovery Act JAG funding to 54 subrecipients aimed at addressing the purpose areas established in its applications for Grant Nos. 2006-DJ-BX-0038 and 2009-SU-B9-0030.

However, we found that the KGGP's monitoring activities and management of subrecipient files were not sufficient to prevent instances of inaccurate Progress and Recovery Act Reports or unapproved subrecipient expenditures. Specifically, we found:

- Instances of unapproved subrecipient expenditures, including a subrecipient that charged 16 positions to the subgrant when budget documentation only approved 10. This was subsequently remedied with an amendment to the budget, which was approved by the KGGP. Additionally, we found that a subrecipient was charging and being reimbursed for overtime, which was not approved in the subgrant budget documentation. This resulted in the subrecipient being reimbursed \$29,388 in excess of the approved subgrant budget for the period October 1, 2009, through December 31, 2009.
- Only three of the six subrecipients sampled provided adequate and accurate support regarding Progress Reports submitted to the KGGP, two subrecipients did not provide accurate support for Progress Reports, and one subrecipient was not able to provide any supporting documentation for Progress Reports.
- A change made to a subrecipient financial report was not notated, signed, and dated.

- The revised Recovery Act Report covering the period October 1, 2009, through December 31, 2009, was generally accurate. However, we found that only 14 of 26 subrecipients' Job Creation and Retention Reports were accurate and supported, while 12 of 26 subrecipients reported incorrectly on their Job Creation and Retention Reports, which are used to calculate the FTEs reported on the Recovery Act Report.

Overall, we believe that the KGGP's policies and procedures, if followed, will allow them to adequately manage Recovery Act funds.

Recommendations

We recommend that the BJA ensures that the KGGP:

1. Utilize its training and technical assistance procedures to reduce the likelihood of inaccurate Progress and Recovery Act Reports.
2. Work with the subrecipient to remedy the excess reimbursements received for overtime not approved in the subgrant budget.
3. Enhance subrecipient monitoring activities to reduce the likelihood of inaccurate Progress and Recovery Act Reports or unapproved subrecipient expenditures.
4. Implement policies to ensure any changes made to FSRs or any other documents in the subrecipient grant files are notated, signed, and dated in order to track changes in grant-related documentation.
5. Utilize the continuous correction data rule to ensure the Recovery Act FTE data reported to FederalReporting.gov is verified and accurate.

OBJECTIVE, SCOPE, AND METHODOLOGY

The purpose of our audit was to determine whether costs claimed under these grants were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The objective of our audit was to review performance in the following areas: (1) grant requirements; (2) internal control environment; (3) cash management; (4) program income; (5) grant expenditures; (6) supplanting; (7) management of subrecipients; (8) Financial Status Reports (FSR), Progress Reports, and Recovery Act Reports; and (9) program performance and accomplishments.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit scope covered the Recovery Act JAG grant and the most recent JAG grant that had sufficient expenditures to appropriately test both grantee and subrecipient transactions. As shown in Exhibit 7, we analyzed the KGGP general ledger transactions for the JAG grants awarded between October 2005 and March 2009 and found that Grant Nos. 2006-DJ-BX-0038 and 2007-DJ-BX-0059 contained the most expenditure transactions.

EXHIBIT 7. KGGP EXPENDITURE TRANSACTIONS BY GRANT

GRANT AWARD	EXPENDITURE TRANSACTIONS
2006-DJ-BX-0038	1,432
2007-DJ-BX-0059	481
2008-DJ-BX-0001	27
2008-DJ-BX-0736	6
2009-DJ-BX-0092	29
2009-SU-B9-0030	193

Source: KGGP

We reviewed the transactions for JAG Grant Nos. 2006-DJ-BX-0038 and 2007-DJ-BX-0059 and found that excluding subrecipient and payroll transactions, there were 4 grantee expenditure transactions for Grant No. 2007-DJ-BX-0059 and there were over 25 transactions for Grant No. 2006-DJ-BX-0038, meaning there would be sufficient grantee transactions for transaction testing in Grant No. 2006-DJ-BX-0038. Therefore, we determined that our audit scope included the Recovery Act JAG Grant No. 2009-SU-B9-0030 and the 2006 JAG Grant No. 2006-DJ-BX-0038.

Our audit concentrated on, but was not limited to, the award start date on October 1, 2005, through December 29, 2009, for Grant No. 2006-DJ-BX-0038, and the award start date on March 1, 2009, through February 4, 2010, for Grant No. 2009-SU-B9-0030. The KGGP had drawn down the total award amount of \$2,035,999 for Grant No. 2006-DJ-BX-0038 on August 14, 2006, and \$12,660,141 for Grant No. 2009-SU-B9-0030 on May 20, 2009.

We tested compliance with what we consider to be the most important conditions of the grant. Unless otherwise stated in our report, the criteria we audit against are contained in the *OJP Financial Guide*, award documents, Code of Federal Regulations, and Office of Management and Budget Circulars.

In conducting our audit, we performed sample testing in five areas, which were grant expenditures, including payroll; management of subrecipients; FSRs; Progress Reports; and Recovery Act Reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed, such as dollar amounts or expenditure category. For Grant No. 2006-DJ-BX-0038, we identified samples of 50 grant expenditures; 6 of 12 KGGP employees covering 2 pay periods; 3 of 45 subrecipient monitoring reports; 4 of 16 FSRs; and the last Progress Report, including 6 of 45 subrecipients' Progress Reports. For Grant No. 2009-SU-B9-0030, we identified samples of 50 grant expenditures and 1 of 2 Recovery Act Reports. Additionally, we reviewed all 4 KGGP employees covering 2 pay periods; the only 2 subrecipient monitoring reports; the only 3 FSRs; and the only Performance Measurement Tool Report as of the week of our initial fieldwork, beginning December 7, 2009. This non-statistical sample design does not allow for projection of the test results to the universes from which the samples were selected.

In addition, we assessed the grantee's monitoring of subrecipients; reviewed the timeliness and accuracy of FSRs, Progress Reports, and Recovery Act Reports; and evaluated performance to grant objectives. However, we did not test the reliability of the financial management system as a whole and reliance on computer based data was not significant to our objective.

**GRANT NO. 2006-DJ-BX-0038
SUBGRANT PROJECTS**

For Grant No. 2006-DJ-BX-0038, the State of Kansas awarded 48 subgrants, totaling \$2,118,210, covering the period July 1, 2006, through September 30, 2009.²⁶ The breakdown by state fiscal years is shown in Exhibit 8.

**EXHIBIT 8. SUBGRANTS AWARDED FOR GRANT
NO. 2006-DJ-BX-0038**

AWARD PERIOD	NUMBER OF SUBGRANTS AWARDED	DOLLARS AWARDED
07/01/2006 – 06/30/2007	32	\$1,383,753
07/01/2007 – 06/30/2008	11	577,032
07/01/2008 – 06/30/2009	3	123,960
07/01/2009 – 09/30/2009	2	33,465

Source: KGGP

Below is a list and description, by purpose area, of the subgrant projects funded by Grant No. 2006-DJ-BX-0038.²⁷

Law Enforcement

- **El Dorado Police Department** received grant funding to purchase a computerized bar-coding system to manage evidence, contraband, and other properties.
- **Coldwater City Marshal’s Office** received grant funding to purchase restraint equipment and a computer.
- **Lawrence Police Department** received grant funding to continue to obtain, process, and enhance audio evidence.

²⁶ A KGGP official explained that for Grant No. 2006-DJ-BX-0038, the KGGP awarded \$2,118,210 in subawards. However, only \$1,972,704 of the subawards had been expended by the subrecipients and the remaining funds were deobligated.

²⁷ We did not conduct testing to determine whether each subrecipient had accomplished the goals and objectives of their subgrant.

- **City of Newton Police Department** received grant funding to support its multijurisdictional drug task force program that focuses on interdiction of drug traffic.
- **Johnson County Sheriff** received grant funding to purchase a comparison microscope and a glass refractive index measurement system to analyze trace evidence.
- **Sunflower House** received grant funding to provide forensic interviews, medical evaluations, and case reviews for investigations of child sexual and physical abuse in collaboration with district attorney's offices, law enforcement, Social and Rehabilitation Services, and mental health providers for Johnson and Wyandotte Counties.
- **Leavenworth County Sheriff's Office** received grant funding to support a video enhancement system that analyzes and produces photographs from surveillance videos, as well as, fingerprint analysis equipment.
- **Burlingame Police Department** received grant funding to purchase taser guns.
- **Osage County Sheriff's Office** received grant funding to support a child crime investigator position.
- **Plainville Police Department** received grant funding to purchase taser guns for three law enforcement jurisdictions in the county.
- **Scott City Police Department** received grant funding to purchase taser guns for its full-time officers.
- **Kansas Bureau of Investigation** received grant funding to purchase laboratory equipment, including three SPEX CrimeScopes ALS's for the KBI Latent Section for fingerprint detection and a Gas Chromatograph/Mass Spectrometer for confirmation of drugs in DUI, date rape crimes, and postmortem analysis with the primary goal of reducing backlog and turnaround times.
- **Prairie Advocacy Center** received grant funding to provide its coordinated multidisciplinary team approach in child sexual

assault cases to enhance prosecution and to work with children and families to reduce trauma and revictimization.

- **Sumner County Sheriff's Department** received grant funding to purchase five in-car video cameras.
- **Wellington Police Department** received grant funding to purchase taser guns.
- **City of Brewster** received grant funding to support the Quad County Drug Task Force, which focuses on disrupting drug trafficking in Sherman, Thomas, Logan, Wallace, and Greeley Counties.
- **University of Kansas Medical Center Police Department** received grant funding to purchase a video and audio recording system for one patrol car.
- **Arkansas City Police Department** received grant funding to purchase training equipment and provide training to address the city's crime problems.
- **Baxter Springs Police Department** received grant funding to purchase equipment for its officers.
- **Western Kansas Child Advocacy Center** received grant funding to increase prosecution of child abuse offenders and lessen the trauma to child victims by providing a well-trained forensic interviewer.
- **Independence Police Department** received grant funding to install in-car video cameras in squad cars.

Prevention and Education

- **Family Service and Guidance Center** received grant funding to provide prevention services to high school students who have committed or are at-risk to commit an act of school violence.

Prosecution and Courts

- **Kansas Attorney General's Office** received grant funding to support an assistant attorney general who provides assistance to county attorneys prosecuting homicide cases.

- **Shawnee County District Attorney's Office** received grant funding to maintain a domestic violence prosecutor and victim/witness specialist to better serve victims' needs.

Corrections and Community Corrections

- **Twenty-eighth Judicial District Community Corrections** received grant funding to reduce the incidents of absconding and court referrals among non-violent offenders by providing opportunities to change behavior and provide a monitoring program that provides support and location of absconders.
- **Kansas Coalition Against Sexual and Domestic Violence** received grant funding to provide batterer intervention services for department of corrections inmates and parolees identified as domestic violence offenders.

Drug Treatment

- **Cowley County Community Corrections** received grant funding to provide drug and alcohol treatment services to identify and address a broad range of psychological, social, drug, and alcohol-related problems for adult offenders.
- **Northwest Kansas Community Corrections** received grant funding to provide a methamphetamine specific treatment program for adult offenders.
- **Twenty-fifth Judicial District Community Corrections** received grant funding to provide offenders with access to intensive outpatient substance abuse treatment.
- **Four County Mental Health Center** received grant funding to support its intensive outpatient treatment program to divert offenders with co-occurring mental health disorders from further involvement in the legal system.
- **Reno County Community Corrections** received grant funding to enhance the availability of its adult and juvenile substance abuse treatment services and provide after-hour juvenile surveillance for those assigned to intensive supervision probation.

- **Kansas Department of Corrections** received grant funding to fund the Therapeutic Community Program, which treats medium custody male offenders housed at Hutchinson Correctional Facility.
- **Fourth Judicial District Community Corrections** received grant funding to support its parental monitoring programs. This program uses the Parenting with Love and Limits curriculum, which provides individual and family therapy sessions to juveniles and parents.
- **Johnson County Department of Corrections** received grant funding to provide long-term in-patient substance abuse treatment to chronic substance abusers and reduce the rate of recidivism among adult drug and alcohol dependant offenders.

Information Technology

- **Winfield Police Department** received grant funding to purchase a live scan fingerprinting unit, which is integrated with the department's record management system and the Kansas Automated Fingerprint Identification System.
- **Douglas County District Attorney's Office** received grant funding to install the Kansas Prosecutor System statewide and provide enhanced functionality.
- **City of Ottawa Police Department** received grant funding to purchase and install hardware and software to implement mobile computing for patrol cars.
- **Independence Police Department** received grant funding to purchase an Automated Fingerprint Identification System.
- **Kansas Department of Administration** received grant funding to support the oversight and management of the Kansas Criminal Justice Information System.

**GRANT NO. 2009-SU-B9-0030
SUBGRANT PROJECTS**

For Grant No. 2009-SU-B9-0030, the State of Kansas awarded 26 subgrants, totaling \$11,527,980, covering the period of July 1, 2009, through June 30, 2011. Below is a list and description, by purpose area, of the subgrant projects funded by Grant No. 2009-SU-B9-0030.²⁸

Law Enforcement

- **Ottawa Police Department** received grant funding to retain the School Resource Officer at Ottawa High School.
- **Newton Police Department** received grant funding to create a School Resource Officer position.
- **City of Kechi Police Department** received grant funding to create a patrol officer position.
- **Kansas Bureau of Investigation** received grant funding to retain three Senior Special Agents and create a Special Investigator, Laboratory Technician, and DNA Scientist positions.

Prosecution and Courts

- **Attorney General's Office** received grant funding to retain a statewide Criminal Prosecutor, the DARE Coordinator, and to create a new position for a Criminal Investigator position.
- **Kansas Supreme Court** received grant funding to reduce anticipated unpaid furlough days for approximately 1,484 non-judicial court employees statewide and to reduce anticipated statewide court closings and interruption in the criminal justice system.
- **State Board of Indigents' Defense Services** received grant funding to retain Public Defender positions.

²⁸ We did not conduct testing to determine whether each subrecipient had accomplished the goals and objectives of their subgrant.

Planning, Evaluation and Technology Improvement

- **Kansas Highway Patrol** received grant funding to purchase equipment for Troopers in the north central and western portion of the state with Mobile Data Units. The Units provide the officers with more expedited information while in the field responding to criminal violations.

Corrections and Community Corrections

- **Larned Juvenile Correctional Facility** received grant funding to retain three Juvenile Corrections Officers.
- **Kansas Department of Corrections** received grant funding to retain 10 Parole Officers, 12 Special Enforcement Officers, and 37 Intensive Supervision Officers in Sedgwick County.
- **Kansas Juvenile Correctional Complex** received grant funding to retain seven Juvenile Correctional Officers.
- **Juvenile Justice Authority** received grant funding to retain 10 Intensive Supervision Officers in Sedgwick County.
- **Twelfth Judicial District Community Corrections** received grant funding to retain a Case Manager position in order to not disrupt supervision of offenders.
- **Eleventh Judicial District Community Corrections** received grant funding to retain an Intensive Supervision Officer position for 2 months.
- **Northwest Kansas Community Corrections** received grant funding to retain a High Risk Officer position.
- **Twenty-fifth Judicial District Community Corrections** received grant funding to retain an Intensive Supervision Officer position.
- **Santa Fe Trail Community Corrections** received grant funding to retain an Intensive Supervision Officer position.
- **Fourth Judicial District Community Corrections** received grant funding to retain a Risk Reduction Specialist position.

- **Eighth Judicial District Community Corrections** received grant funding to retain Intensive Supervision Officer Assistant position.
- **Johnson County Department of Corrections** received grant funding to retain a Relapse Prevention Specialist position.
- **Montgomery County Community Corrections** received grant funding to retain an Intensive Supervision Officer position.
- **Twenty-fourth Judicial District Community Corrections** received grant funding to retain an Intensive Supervision Officer position.
- **Reno County Community Corrections** received grant funding to retain a Surveillance Officer position and an Intensive Supervision Officer position.
- **Riley County Community Corrections** received grant funding to retain a Risk Reduction Specialist position.
- **Sedgwick County Department of Corrections** received grant funding to retain two Intensive Supervision Officer positions.
- **Thirty-first Judicial District** received grant funding to retain an Administrative Assistant position for the community corrections program.



U.S. Department of Justice
Office of Justice Programs
Office of Audit, Assessment, and Management

MAY 06 2010

Washington, D.C. 20531

MEMORANDUM TO: David M. Sheeren
Regional Audit Manager
Office of the Inspector General
Denver Regional Audit Office

FROM: Maureen A. Henneberg } *Maureen A. Henneberg*
Director

SUBJECT: Response to the Draft Audit Report, *Office of Justice Programs, Edward Byrne Memorial Justice Assistance Grant Program Grants Awarded to the Office of the Governor of Kansas, Topeka, Kansas*

This memorandum is in response to your correspondence, dated April 16, 2010, transmitting the subject draft audit report to the Office of Justice Programs (OJP). The Kansas Governor's Grants Program (KGGP) is a component of the Office of the Governor of Kansas, and is responsible for administering their grant awards. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains five recommendations and no questioned costs. For ease of review, the draft audit report recommendations are restated in bold and are followed by OJP's response.

1. **We recommend that the Bureau of Justice Assistance (BJA) ensures that the KGGP utilize its training and technical assistance procedures to reduce the likelihood of inaccurate Progress and Recovery Act Reports.**

We agree with the recommendation. We will coordinate with KGGP to obtain a copy of implemented procedures ensuring that KGGP utilizes its training and technical assistance procedures to reduce the likelihood of inaccurate Progress and Recovery Act Reports.

2. **We recommend that the BJA ensures that the KGGP work with the subrecipient to remedy the excess reimbursements received for overtime not approved in the subgrant budget.**

We agree with the recommendation. We will coordinate with KGGP to ensure that they work with the subrecipient to remedy the excess reimbursements received for overtime not approved in the subgrant budget.

3. **We recommend that the BJA ensures that the KGGP enhance subrecipient monitoring activities to reduce the likelihood of inaccurate Progress and Recovery Act Reports or unapproved subrecipient expenditures.**

We agree with the recommendation. We will coordinate with KGGP to obtain a copy of implemented procedures ensuring that subrecipient monitoring activities are enhanced to reduce the likelihood of inaccurate Progress and Recovery Act Reports, or unapproved subrecipient expenditures.

4. **We recommend that the BJA ensures that the KGGP implement policies to ensure any changes made to Federal Financial Reports (FFRs) or any other documents in the subrecipient grant files are notated, signed, and dated in order to track changes in grant-related documentation.**

We agree with the recommendation. We will coordinate with KGGP to obtain a copy of implemented procedures ensuring that any changes made to FFRs or other documents in the subrecipient files are notated, signed, and dated in order to track changes in grant-related documentation.

5. **We recommend that the BJA ensures that the KGGP utilize the continuous correction data rule to ensure the Recovery Act FTE data reported to FederalReporting.gov is verified and accurate.**

We agree with the recommendation. We will coordinate with KGGP to obtain a copy of implemented procedures to ensure that Recovery Act Full Time Equivalent (FTE) data reported to the FederalReporting.gov is verified and accurate, utilizing the continuous correction data rule.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Jeffery A. Haley, Deputy Director, Audit and Review Division, on (202) 616-2936.

cc: Jeffery A. Haley
Deputy Director, Audit and Review Division
Office of Audit, Assessment, and Management

Amanda LoCicero
Budget Analyst
Bureau of Justice Assistance

Karen Johnson
Program Manager
Bureau of Justice Assistance

cc: Richard P. Theis
Assistant Director
Audit Liaison Group
Justice Management Division

OJP Executive Secretariat
Control Number 20100668



Mark Parkinson, Governor

www.governor.ks.gov

May 5, 2010

David M. Sheeren
Regional Audit Manager
U. S. Department of Justice
Office of the Inspector General
Denver Regional Audit Office
1120 Lincoln, Suite 1500
Denver, CO 80203

Dear Mr. Sheeren:

This letter is in response to the Office of Inspector General's (OIG) draft audit report issued on April 16, 2010. The report was in regard to the Federal Edward Byrne Memorial Justice Assistance Grant Program (JAG) and our response to the recommendations is described below.

1. **Utilize its training and technical assistance procedures to reduce the likelihood of inaccurate Progress and Recovery Act Reports.**
 - a. The Governor's Grants Program has incorporated procedures to provide training on the reporting requirements for the JAG program. The training will consist of specific instructions on how to fill out the reports and what documentation is required to support the data and information provided on the reports. This training will take place at the beginning of each grant award period, as well as follow up technical assistance provided by staff to each subrecipient. In addition, staff will monitor compliance of the progress reports by asking for supporting documentation to be submitted and substantiated for at least one quarter on all progress reports.
 - b. The Job Creation and Retention Report has been revised to reflect the updated federal guidance in calculating the number of hours worked. In addition, all Recovery Act JAG subrecipients are required to submit the supporting documentation with the report. This will allow staff time to review and substantiate the accuracy of the report. Also, due to the recent changes made on FederalReporting.gov staff can now make corrections to the report should any errors be discovered during our review process.
2. **Work with the subrecipient to remedy the excess reimbursements received for overtime not approved in the subgrant budget.**
 - a. The Governor's Grants Program staff has corrected the issue of excess reimbursement by requiring the subrecipient to revise its budget to accurately reflect how the funds are being expended. A budget revision was submitted by the subrecipient to allow for overtime and was approved.
 - b. We have incorporated an additional instruction on the Financial Status Report to avoid funding positions other than those approved by the grant award. Subrecipients are instructed to provide the number of full-time equivalent (FTE) positions being funded with RA-JAG funds during each monthly

reporting period. The information must be provided in the Notes section of the Financial Status Report.

3. Enhance subrecipient monitoring activities to reduce the likelihood of inaccurate Progress and Recovery Act Reports or unapproved subrecipient expenditures.

- a. Steps have been taken for subrecipients to receive additional training on reporting requirements and what is required for supporting documentation. Technical assistance also has been provided for each subrecipient following the trainings. The updated Job Creation and Retention Report has been distributed to subrecipients along with a webinar training on filling out the report and submitting backup documentation with each report.

4. Implement policies to ensure any changes made to FSRs (Financial Status Reports) or any other documents in the subrecipient grant files are notated, signed and dated in order to track changes in grant-related documentation.

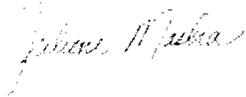
- a. Staff is required to make all notations (at a minimum, date, initial and note as to the change) in the grant file or on administrative documentation if any changes are made.

5. Utilize the continuous correction data rule to ensure the Recovery Act FTE data reported to FederalReporting.gov is verified and accurate.

- a. As noted in the draft audit report, "...the Recovery Act Report covering the period October 1, 2009, through December 21, 2009, was generally accurate." The Job Creation and Retention Report has been changed to accurately reflect the updated federal guidance in calculating the number of hours worked. Training was held for all subrecipients regarding this change and the training included what information is required to be submitted with each report. All reports must be submitted with the supporting documentation each quarter. The information is reviewed for accuracy and any discrepancy is corrected. The changes on FederalReporting.gov, which now allows us the ability to continuously correct data, affords us the ability to verify the data more accurately and submit a valid report.

Overall, we agree with the findings of the report and believe that we have taken the corrective actions to ensure compliance with the JAG program and the Recovery Act. We thank you for the opportunity to review the draft report and provide comments. If there are any additional questions regarding this response, please contact me.

Sincerely,



Juliene Maska, Administrator
Kansas Governor's Grants Program

GOVERNOR'S GRANTS PROGRAM
(785) 291-3205 • Fax: (785) 291-3204

ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT

Pursuant to OMB Circular A-50 Revised, Audit Follow-up, responses to audit reports are defined as “written comments by agency officials indicating agreement or disagreement on reported findings and recommendations. Comments indicating agreement on final reports shall include planned corrective actions and, where appropriate, dates for achieving actions. Comments indicating disagreement shall explain fully the reasons for disagreement. Where disagreement is based on interpretation of law, regulation, or the authority of officials to take or not to take action, the response must include the legal basis.”

1. **Resolved.** This recommendation can be closed when we receive documentation from OJP specifying the procedures, trainings, and updated Job Creation and Retention Report implemented by the KGGP to reduce the likelihood of inaccurate Progress and Recovery Act Reports.
2. **Resolved.** This recommendation can be closed when we receive documentation from OJP specifying the subrecipient budget revision and additional instructions regarding FSRs implemented by the KGGP to remedy the excess reimbursements one subrecipient received for overtime that was not approved in the subgrant budget.
3. **Resolved.** This recommendation can be closed when we receive documentation from OJP specifying the procedures, trainings, and updated Job Creation and Retention Report implemented by KGGP to reduce the likelihood of inaccurate Progress and Recovery Act Reports, or unapproved subrecipient expenditures.
4. **Resolved.** This recommendation can be closed when we receive documentation from OJP specifying the procedures implemented by KGGP to ensure that any changes made to FSRs or other documents in the subrecipient files are notated, signed, and dated in order to track changes in-grant related documentation.

5. **Resolved.** This recommendation can be closed when we receive documentation from OJP specifying the procedures, trainings, and updated Job Creation and Retention Report implemented by KGGP to ensure that Recovery Act Full Time Equivalent (FTE) data reported to the FederalReporting.gov is verified and accurate.