



**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS, EDWARD
BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT
PROGRAM, GRANTS TO THE CITY OF AURORA, COLORADO**

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

Audit Report GR-60-13-012
August 2013

AUDIT OF THE OFFICE OF JUSTICE PROGRAMS, EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM, GRANTS TO THE CITY OF AURORA, COLORADO

EXECUTIVE SUMMARY

The U.S. Department of Justice, Office of the Inspector General (OIG), Audit Division, has completed an audit of the Office of Justice Programs, Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program), Grant Nos. 2009-DJ-BX-0678, 2009-SB-B9-0430, 2010-DJ-BX-0509, and 2011-DJ-BX-2448 totaling \$2,687,124, awarded to the City of Aurora (Aurora), Colorado, as shown in Exhibit 1. Grant No. 2009-SB-B9-0430 was an *American Recovery and Reinvestment Act of 2009* award.

EXHIBIT 1: GRANT AWARDED TO AURORA

AWARD NUMBER	AWARD DATE	PROJECT START DATE	PROJECT END DATE	AWARD AMOUNT
2009-DJ-BX-0678	08/27/09	10/01/08	09/30/12	\$ 404,700
2009-SB-B9-0430	05/29/09	03/01/09	02/28/13	1,743,612
2010-DJ-BX-0509	08/04/10	10/01/09	09/30/13	304,772
2011-DJ-BX-2448	08/15/11	10/01/10	09/30/14	234,040
Total:				\$ 2,687,124

Source: Office of Justice Programs' (OJP) Grants Management System (GMS)

The grants were awarded under the Byrne JAG Program, which allows 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. Byrne JAG Program funds may be used for state and local initiatives, technical assistance, training, personnel, equipment, supplies, contractual support, information systems for criminal justice, and criminal justice related research and evaluation activities.

Our Audit Approach

The purpose of the audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The objective of the audit was to review performance in the following areas: (1) internal control environment, (2) drawdowns, (3) grant expenditures, (4) financial status and progress reports, (5) program performance and accomplishments, (6) grant closeout activities,

(7) property management, (8) monitoring of sub-recipients and contractors, and (9) special grant requirements.

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* and grant award documents.

There were no recommendations resulting from the audit of Byrne JAG Program grants awarded to the City of Aurora. Our audit objective, scope, and methodology appear in *Appendix I*. We discussed the results of our audit with the City of Aurora officials and have included their comments in Appendix II. OJP's response is included in Appendix III.

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INTRODUCTION

The U.S. Department of Justice, Office of the Inspector General (OIG), Audit Division, has completed an audit of the Office of Justice Programs, Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program), Grant Nos. 2009-DJ-BX-0678, 2009-SB-B9-0430, 2010-DJ-BX-0509, and 2011-DJ-BX-2448 totaling \$2,687,124, awarded to the City of Aurora (Aurora), Colorado, as shown in Exhibit 1. Grant No. 2009-SB-B9-0430 was an *American Recovery and Reinvestment Act of 2009* award.

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Total:				\$ 2,687,124

Source: Office of Justice Programs' (OJP) Grants Management System (GMS)

Background

The Office of Justice Programs (OJP), a component of the U.S. Department of Justice, provides innovative leadership to federal, state, local, and tribal justice systems, by disseminating state-of-the-art knowledge and practices across America, and providing grants for the implementation of these crime fighting strategies. The OJP works in partnership with the justice community to identify the most pressing crime-related challenges confronting the justice system and to provide information, training, coordination, and innovative strategies and approaches for addressing these challenges.

The Byrne JAG Program allows 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. The Byrne JAG Program blends the previous Byrne Formula and Local Law Enforcement Block Grant (LLEBG)

Programs to provide agencies with the flexibility to prioritize and place justice funds where they are needed most.

JAG funds may be used for state and local initiatives, technical assistance, training, personnel, equipment, supplies, contractual support, information systems for criminal justice, and criminal justice related research and evaluation activities that will improve or enhance:

1. Law enforcement programs.
2. Prosecution and court programs.
3. Prevention and education programs.
4. Corrections and community corrections programs.
5. Drug treatment and enforcement programs.
6. Planning, evaluation, and technology improvement programs.
7. Crime victim and witness programs (other than compensation).

The City of Aurora (Aurora) was incorporated as the town of Fletcher on April 30, 1891, and renamed Aurora in 1907. With a land area of 154 square miles, the 2010 Census identified Aurora's population as 325,078, with the result that Aurora is the 3rd largest city in Colorado and is now the 56th largest city in the United States.

Our Audit Approach

The purpose of the audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The objective of the audit was to review performance in the following areas: (1) internal control environment, (2) drawdowns, (3) grant expenditures, (4) budget management and control, (5) financial status and progress reports, (6) program performance and accomplishments, (7) grant closeout activities, (8) property management, (9) matching costs, (10) program income, (11) monitoring of sub-recipients and contractors, and (12) special grant requirements. We determined that budget management and control, matching costs, and program income were not applicable to this grant audit.

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* and grant award documents. We tested Aurora'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 award.
- **Grant Award Drawdowns** - to determine whether Aurora's drawdowns were adequately supported and if Aurora was expending drawdowns timely.
- **Grant Award Expenditures** - to determine the accuracy and allowability of costs charged to the grant.
- **Monitoring of Sub-recipients and Contractors** - to determine whether Aurora provided adequate oversight and monitoring of its sub-recipients and contractors.
- **Federal Financial Reports (FFRs) and Progress Reports** - to determine whether the required FFRs and Progress Reports were submitted in a timely manner and accurately reflect grant activity.
- **Award Requirements** - to determine whether Aurora complied with award guidelines, special conditions, and solicitation criteria.
- **Grant Program Performance and Accomplishments** - to determine whether Aurora has met the grant objectives.
- **Post End Date Activity** – to determine, for the grant that had ended, whether Aurora complied with post end date award requirements.

There were no recommendations resulting from the OIG audit of Byrne JAG Program grants awarded to the City of Aurora. Our audit objective, scope, and methodology appear in *Appendix I*. We discussed the results of our audit with the City of Aurora officials and have included their comments in Appendix II. OJP's response is included in Appendix III.

FINDINGS

We determined that the City of Aurora has documented policies and procedures related to financial and accounting functions and an accounting system that meets requirements. We also found that all transactions tested were in compliance with award conditions and supported. Financial and Progress Reports were timely and generally reflected actual grant activity and performance to goals and objectives. There are no recommendations made by the OIG in reference to the audit of these four Byrne JAG Program grants awarded to the City of Aurora.

Internal Control Environment

We reviewed Aurora's internal control environment, including procurement, receiving, payment, and payroll procedures to determine compliance with the terms and conditions of the grant award and to assess risk. We also interviewed management and key personnel, and inspected documents and records in order to further assess risk.

Single Audit

The *Office of Management and Budget (OMB) Circular A-133* requires that non-federal entities that expend \$500,000 or more per year in federal awards have a Single Audit performed annually. We determined that the most recent Single Audit of Aurora was for Fiscal Year (FY) 2011, which ended December 31, 2011. We reviewed the audit report and found there were no reportable matters.

Financial Management System

We reviewed Aurora's financial management system, interviewed Aurora officials, and inspected grant documents. We determined that Aurora has documented policies and procedures related to financial and accounting functions. Financial activities for Aurora were performed internally by the Finance Department, except for actuarial studies and annual audits.

Aurora officials stated that it currently uses the *ONESolution* accounting system by SunGard and has used this system since the late 1990's, with the most recent update in December 2012. It has a comprehensive set of accounting and financial programs including general ledger, human

resources, payroll, accounts payable, purchasing, cash receipts, fixed assets, accounts receivable, check writing, and reporting.

The grant manager and department staff are responsible for administration and compliance with grant requirements. According to Aurora officials, departments initiate purchase requisitions and the Purchasing Department prepares the purchase order. The various financial functions are physically and organizationally separated. Additionally, the accounting system is password protected, has separate access levels based on function, and has an inactivity time out feature. The system is backed up nightly with a redundant off-site backup location. Transactions are date and time stamped.

The person who receives an item within the initiating department is responsible for inspection and verification of the invoice prior to signing off the invoice for payment. Accounts payable officials in the Finance Department verify the vendor information and approvals before processing for payment.

Sufficient written policies and procedures were available, separation of duties was adequate, and management was supportive and cognizant of the importance of internal controls.

Drawdowns

According to the *OJP Financial Guide, 2009*, recipients of block grant awards such as the Byrne JAG Program are paid in a lump sum. One of the special conditions in the award documents is for the grantee to establish a trust fund account which, according to OJP officials, is intended to protect the principal. However, Aurora opted to receive grant funds on a reimbursement basis, as demonstrated by its history of drawdowns. Although the requirement of the trust fund would still exist regardless of the method of drawdown, the trust fund was not applicable since the drawdowns were in fact a reimbursement and not a lump sum draw.

According to the Senior Management Analyst responsible for submitting drawdown requests and the quarterly Federal Financial Reports (FFRs), drawdowns are requested quarterly in conjunction with the submission of the FFR. The same support documentation is used for both the FFR and the drawdown request. At the end of each quarter, finance system reports and associated paperwork for grant expenditures are compiled and used as the basis for the quarterly drawdown. Aurora uses actual expenses for its

drawdown requests. The reimbursements are sent electronically to Aurora's central account and are credited to the specific grant account.

The drawdowns were evaluated to determine if there was adequate documentation to support each drawdown, and to determine if overall expenditures and drawdowns generally matched to ensure there were no excess funds on hand. We reviewed the last four drawdowns for each of the four grants and found that while amounts in the accounting records generally matched the drawdown requests, they did not always match exactly. This was primarily due to adjustments made based on when items were posted in the general ledger expense and cash accounts. However, the drawdown packages included adequate documentation to explain any adjustments that were made, and we were able to reconcile the records with the drawdown amounts.

Grant Expenditures

Direct Costs

To determine if grant funds expended were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and award documentation, we tested a judgmental sample of 25 transactions from each of the 4 grants for a total of 100 transactions. We reviewed the documentation to determine if the expenses were approved and authorized, within the scope of the award, properly classified in the accounting records, properly supported with appropriate original documentation, and correctly charged to the grant. Additionally, since these grants were largely for the purpose of purchasing equipment and supplies, we judgmentally selected 15 items of accountable property from the 100 transactions tested for physical inspection and verification.

In performing the transaction tests, we did not find any discrepancies between the items purchased and the support documentation. Furthermore, upon physical inspection of 15 items judgmentally selected from the 100 transactions tested, we did not find any discrepancies and were able to verify the purchases.

Monitoring of Sub-recipients and Contractors

Sub-recipients

Aurora had sub-recipients for each of the four grants and there was a signed Memorandum of Understanding between Aurora and each sub-recipient for each grant. Additionally, Aurora received the majority of each grant, ranging from approximately 70 to 89 percent.

According to the *OJP Financial Guides, 2009-2012*, direct recipients should be familiar with, and periodically monitor, their subrecipients' financial operations, records, systems, and procedures. As part of the sub-recipient monitoring process, recipients need to develop systems, policies, and procedures to ensure that sub-recipient activities are conducted in accordance with federal program and grant requirements, laws, and regulations.

According to Aurora's *Grant Guidelines*, the Grant Manager is responsible for providing regular compliance reviews and monitoring of all sub-recipients to determine if they are in compliance with laws, regulations, and provisions of the grant. The Research and Development (R & D) Specialist is responsible for managing the Aurora Police Department's (PD) grants and any sub-recipients. The R & D Specialist stated he reviewed each sub-recipient's financial system and its policies and procedures regarding accounting and purchasing practices, and ensures sub-recipient adherence to Single Audit requirements. He also stated he requires support documents with Quarterly Progress Reports and FFRs submitted by sub-recipients, and performs desk reviews and periodic site visits.

Based on the documentation provided, there was no indication of inadequate monitoring of sub-recipients concerning sub-recipient compliance with requirements and implementation of the program.

Contractors

There was only one contractor involved in the four Byrne JAG Program grants awarded to the City of Aurora, which was for Grant No. 2009-SB-B9-0430, the Recovery Act grant. The City of Aurora hired a single contractor, interpreter/coordinator, to provide translation services for the Aurora PD and coordinate the police department's volunteer interpreter program. Although this was a contractor, the contractor's time was tracked and paid using the financial payroll module of the finance system. The contractor completed time cards.

Grant Reporting

As part of the special conditions for the four grants, the recipient agrees to comply with all reporting, data collection, and evaluation requirements, as prescribed by law and detailed in the Byrne JAG Program guidance. In total, there are four reports the recipient is required to submit: (1) the Quarterly Federal Financial Report (FFR), (2) The BJA Quarterly Performance Measurement Tool (PMT), (3) the Recovery Act Section 1512(c) Quarterly Report, and (4) the Annual Progress Reports for JAG grants. Each of these reports is discussed in the following sections.

Financial Reporting

The *OJP Financial Guide, 2009*, states that effective the quarter beginning October 1, 2009, recipients must report expenditures online using the Federal Financial Report (FFR) form, FFR-425, no later than 30 days after the end of each calendar quarter. Recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report. Also, the award recipients should report program outlays and revenue on a cash or accrual basis in accordance with their accounting system.

We reviewed the last four FFRs for each grant for timeliness and accuracy. We found that all 16 of the FFRs we reviewed were submitted timely, and that the reports were generally accurate. Differences that we identified between the accounting records and the amounts reported on the FFRs were supported with documentation and adequate explanation. As mentioned previously in discussing drawdowns, differences were generally due to timing issues as to when the expense was recorded in the general ledger versus when the expense was recorded in the cash account.

Performance Management Tool

Consistent with the Government Performance and Results Act, P.L. 103-62, beginning in 2009, quarterly performance metrics reports must be submitted through the Bureau of Justice Assistance's (BJA) Performance Management Tool (PMT) website no later than 30 days after the end of each calendar quarter. The PMT reports are reported in two formats, numerical data which is reported quarterly, and narrative which is reported annually. The recipient submits the quarterly PMT data online to BJA through the PMT website. Once the information is confirmed and submitted, the data is transferred to the OJP Grants Management System (GMS). At the end of the

4th quarter each year (September 30), the quarterly PMT reports are combined and a narrative is added, to create the Annual Progress Report.

We reviewed the last eight quarterly PMT reports for each of the four grants audited, except for Grant No. 2011-DJ-BX-2448 which had only 6 reports through 2012, to evaluate them for timeliness. We found that all 30 reports that we evaluated were submitted on time. Since the Annual Progress Report is a composite of the four quarterly PMT reports plus a narrative presentation, we reviewed the last two Progress Reports for each grant to evaluate accuracy, as described in the next section.

Progress and Program Reports

According to the *OJP Financial Guide, 2009*, Annual Progress and Program Reports (Progress Reports) must be submitted online through the GMS not later than December 31st for the activities undertaken and results achieved during the prior federal fiscal year (October 1 through September 30). The Annual Progress Reports for Byrne JAG Program grants are pro forma documents online in GMS and show a collection of the four quarters of PMT reports plus a narrative presentation.

We reviewed the last two annual Progress Reports for each of the four grants audited to evaluate the timeliness of submission and found that all eight reports were submitted timely in accordance with the *OJP Financial Guide*.

We also reviewed Progress Reports for accuracy and content. To verify the information in the Progress Reports, we reviewed the last two Progress Reports submitted for each grant and compared them to the support documents provided by Aurora officials. By comparing actual purchases from the general ledger expense summary to the purchases and accomplishments detailed in the Progress Reports, we were able to confirm the relative accuracy of the reports. Based on the judgmental sample review of the Progress Reports, we did not identify any concerns for the items tested.

American Recovery and Reinvestment Act Quarterly Reports

According to the American Recovery and Reinvestment Act (ARRA or Recovery Act) of 2009, P.L. 111-5, Section 1512(c), recipients of Recovery Act funds must submit a report no later than 10 days after the end of each calendar quarter detailing fund use and program activities. Additionally, according to the *OJP Financial Guide*, for anyone who receives Recovery Act funding, a quarterly report, which requires both financial and programmatic

data, must be submitted within 10 calendar days after the end of each calendar quarter. The Recovery Act Section 1512(c) report must be submitted online through the government website.

We initially evaluated the last two reports from ARRA Grant No. 2009-SB-B9-0430 for timeliness and found that the third quarter report for 2012 had been submitted two days late. We evaluated two additional reports and found they were submitted on time. Based on the timely submission of three of the four reports reviewed, we concluded the reports were generally timely.

Award Requirements

We reviewed the award documents to determine if there were unique or distinctive requirements that were specific to the grantee or grant program that Aurora was required to comply with as a condition of accepting the awards. We found that all four grants contained typical standard language requirements for adherence to laws, regulations, and other guidelines. Grant No. 2009-SB-B9-0430, which was a Recovery Act grant, had additional requirements as part of the Recovery Act. The majority of the Recovery Act requirements were not applicable to this award, but several were applicable.

To evaluate compliance to the special conditions of the awards, we judgmentally selected several requirements and tested them for compliance. These included financial and Progress Reports, Central Contractor Registration, and Recovery Act reporting. Our review did not identify reportable conditions for those items tested.

Program Performance and Accomplishments

As previously mentioned in this report, the Byrne JAG Program allows states, tribes, and local governments to support a broad range of activities that will improve or enhance:

1. Law enforcement programs.
2. Prosecution and court programs.
3. Prevention and education programs.
4. Corrections and community corrections programs.
5. Drug treatment and enforcement programs.
6. Planning, evaluation, and technology improvement programs.
7. Crime victim and witness programs (other than compensation).

Program Objectives

For grants 2009-DJ-BX-0678, 2009-SB-B9-0430, 2010-DJ-BX-0509, and 2011-DJ-BX-2448, we reviewed documents submitted by Aurora officials in its application for each grant award and determined the established objectives, depending on the award, were to:

1. Purchase approved items
2. Deploy the items
3. Perform necessary training on items
4. Hire for new positions or retain current positions
5. Assign duties and responsibilities to new hires
6. Fund an overtime project and track hours

The first three objectives concerning the purchase of equipment were consistent in all four awards. As shown in Exhibit 2, the majority of the combined expenditures for all four grants were designated for equipment purchases.

EXHIBIT 2: PLANNED GRANT FUND EXPENDITURE SUMMARY

COMBINED TOTALS		SUB-RECIPIENT TOTALS	GRAND TOTALS	PERCENT OF TOTAL
	\$2,687,124			
ITEM	AURORA			
Personnel	\$ 221,520	\$ 181,566	\$ 403,086	15.0
Fringe Benefits	61,623	55,674	117,297	4.4
Travel	878	-	878	0.0
Equipment	1,661,493	446,370	2,107,863	78.4
Contracts/Consultants	-	18,000	18,000	0.7
Other Costs	40,000	-	40,000	1.5
TOTALS	\$1,985,514	\$701,610	\$2,687,124	100.0

Source: *Budget Detail* for grants 2009-DJ-BX-0678, 2009-SB-B9-0430, 2010-DJ-BX-0509, and 2011-DJ-BX-2448

Analysis of Program Performance

To evaluate program performance, we looked at the grant goals and objectives and compared them to accomplishments and activity reported in the annual Progress Reports.

The primary objectives of these grants as documented in the grant applications and as stated by grant officials, were to purchase and deploy equipment, and train personnel as necessary on the items. We reviewed the

last two Progress Reports for each grant and compared the supporting documentation with information submitted in the reports. We found that the Progress Reports generally reflected actual activity and progress. We also determined that for those items tested, the expenditure of funds was reasonable and timely.

Post End Date Activity

Of the four grants audited, only Grant No. 2009-DJ-BX-0678 had reached its end date of September 30, 2012, prior to our fieldwork. According to the *OJP Financial Guide*, recipients have 90 days after the end date to close out the award, which would be December 29, 2012. We reviewed the documentation and found that the Final FFR, the Final Progress Report, and the required Closeout Report were all submitted timely. There were no indications of expenditures after the end date or drawdowns occurring after the grant closeout date.

Conclusion

The purpose of this audit was to determine whether reimbursements claimed for costs under Grant Nos. 2009-DJ-BX-0678, 2009-SB-B9-0430, 2010-DJ-BX-0509, and 2011-DJ-BX-2448 were allowable, supported, and in accordance with applicable laws, regulations, guidelines, terms and conditions of the grant awards, and to determine program performance and accomplishments. We reviewed the internal control environment, drawdowns, grant expenditures, recipient's monitoring of sub-recipients, financial and progress reporting, award requirements, program performance and accomplishments, and post end date activity. In our judgment, the City of Aurora was in material compliance with the areas we tested and we have no recommendations.

APPENDIX I

OBJECTIVE, SCOPE, AND METHODOLOGY

The purpose of this audit was to determine whether reimbursements claimed for costs under Grant Nos. 2009-DJ-BX-0678, 2009-SB-B9-0430, 2010-DJ-BX-0509, and 2011-DJ-BX-2448 were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The objective of the audit was to examine performance in the key areas of grant management that are applicable and appropriate for the grants under review. Depending on the nature of the grants and manner in which the grant program was implemented, these areas may include: (1) internal control environment, (2) drawdowns, (3) grant expenditures, (4) budget management and control, (5) financial status and progress reports, (6) program performance and accomplishments, (7) grant closeout activities, (8) property management, (9) matching costs, (10) program income, (11) monitoring of sub-recipients and contractors, and (12) special grant requirements. We determined that budget management and control, matching costs, and program income were not applicable to this grant audit.

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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

This was an audit of the Office of Justice Programs, Bureau of Justice Assistance, Byrne Memorial JAG grants, awarded to the City of Aurora (Aurora), Colorado, Grant Nos. 2009-DJ-BX-0678; 2009-SB-B9-0430; 2010-DJ-BX-0509; and 2011-DJ-BX-2448. Our audit concentrated on, but was not limited to, the earliest award date of May 29, 2009 through February 20, 2013, the 'as of date' for the general ledgers. The City of Aurora had a total of \$2,395,562 in drawdowns through February 11, 2013.

We tested Aurora's 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*, the award documents, Code of Federal Regulations, Office of Management and Budget (OMB) Circulars, and the Recovery Act. Specifically we tested:

- **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 award.
- **Grant Award Drawdowns** - to determine whether Aurora's drawdowns were adequately supported and if Aurora was expending drawdowns timely.
- **Grant Award Expenditures** - to determine the accuracy and allowability of costs charged to the grant.
- **Monitoring of Sub-recipients and Contractors** - to determine whether Aurora provided adequate oversight and monitoring of its sub-recipients and contractors.
- **Federal Financial Reports (FFRs) and Progress Reports** - to determine whether the required FFRs and Progress Reports were submitted in a timely manner and accurately reflect grant activity.
- **Award Requirements** - to determine whether Aurora complied with award guidelines, special conditions, and solicitation criteria;
- **Grant Program Performance and Accomplishments** - to determine whether Aurora has met the grant objectives.
- **Post End Date Activity** – to determine, for the grant that had ended, whether Aurora complied with post end date award requirements.

In conducting our audit, we performed sample testing for grant expenditures. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grant reviewed, such as dollar amounts or expenditure category. We selected a sample of 25 transactions from each of the 4 grants, selecting at least half from the highest cost items and the remainder selected judgmentally. This non-statistical sample design does not allow projection of the test results to the universes from which the samples were selected.

We also tested for the timeliness and accuracy of financial and Progress Reports. We judgmentally selected the last four FFRs from each of the four grants, the last two Progress Reports from each of the four grants, the last eight PMT reports from all four grants, except for Grant No. 2011-DJ-BX-2448 which only had six PMT reports at the time of our

fieldwork, and the last four Recovery Act reports from the Recovery Act Grant No. 2009-SB-B9-0430. This non-statistical sample design does not allow projection of the test results to the universes from which the samples were selected.

We reviewed the capabilities of Aurora's accounting system, *ONESolution* by SunGard, and obtained and reviewed Aurora's Finance Policies and Procedures; however, we did not test the reliability of the financial management system as a whole.

The results of our audit are discussed in detail in the *Findings* section of this report. We discussed the results of our audit with the City of Aurora officials and have included their comments in Appendix II. OJP's response is included in Appendix III.

APPENDIX II

AURORA'S RESPONSE TO THE DRAFT REPORT

City of Aurora

Finance Department
Administration
Phone: 303-739-7055
Fax: 303-739-7068



July 26, 2013

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

Dear Mr. Sheeren,

On behalf of the City of Aurora, we would like to acknowledge the receipt of the Office of the Inspector General's audit report. We would also like thank you and Robert Trefzer for the opportunity to work with you on the audit and for the professionalism displayed throughout the audit process.

In our continued commitment to improve and streamline our internal processes, we appreciate your insights and suggestions. We will review the report's recommendations with the appropriate staff and take into strong consideration implementation of these recommendations to improve our efficiency and effectiveness.

The signed management representation letter is included with our official response as per your request.

Sincerely,

A handwritten signature in black ink that reads 'Jason P. Batchelor'.

Jason P. Batchelor
Finance Director

Enclosure

APPENDIX III

OJP'S RESPONSE TO THE DRAFT REPORT



U.S. Department of Justice



Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

AUG 14 2013

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

FROM:  Maureen A. Henneberg 
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Edward Byrne Memorial Justice Assistance Grant Program, Grants to the City of Aurora, Colorado*

This memorandum is in response to your correspondence, dated July 16, 2013, transmitting the subject draft audit report for the City of Aurora, Colorado. The draft report does not contain any recommendations. The Office of Justice Programs has reviewed the draft audit report and does not have any comments.

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
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