



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



Audit of the Office of Justice Programs Justice Assistance Grants Awarded to the East Baton Rouge Sheriff's Office Baton Rouge, Louisiana

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
JUSTICE ASSISTANCE GRANTS AWARDED
TO THE EAST BATON ROUGE SHERIFF'S OFFICE
BATON ROUGE, LOUISIANA**

EXECUTIVE SUMMARY

The Department of Justice, Office of the Inspector General, Audit Division, has completed an audit of Office of Justice Programs (OJP) Edward Byrne Memorial Justice Assistance Grants (JAG) totaling \$3,531,339 awarded to the East Baton Rouge Sheriff's Office, Baton Rouge, Louisiana (Sheriff's Office).

**EXHIBIT 1: OFFICE OF JUSTICE PROGRAMS GRANTS
AWARDED TO THE EAST BATON ROUGE SHERIFF'S OFFICE**

GRANT NUMBER	OJP PROGRAM	AWARD START DATE	AWARD END DATE	AWARD AMOUNT
2008-DJ-BX-0527	JAG	10/01/2007	09/30/2011	\$131,727
2009-DJ-BX-0577	JAG	10/01/2008	09/30/2012	\$459,819
2009-SB-B9-2897	JAG ¹	03/01/2009	02/28/2013	\$1,939,158
2010-DJ-BX-1636	JAG	10/01/2009	09/30/2013	\$408,057
2011-DJ-BX-3127	JAG	10/01/2010	09/30/2014	\$326,749
2012-DJ-BX-0938	JAG	10/01/2011	09/30/2015	\$265,829
TOTAL				\$3,531,339

Source: Office of Justice Programs

The purpose of the audit was to determine whether grant funds were used for costs that were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grants; and whether the Sheriff's Office met or was on track to meet the goals and objectives outlined in the grant programs and applications.

The objectives of the audit were to determine whether the Sheriff's Office complied with essential grant conditions pertaining to: (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) post-grant end-date activities, (8) property management, (9) matching costs, (10) program income, (11) monitoring of subrecipients and contractors, and (12) special requirements.

¹ This is an Edward Byrne Memorial Justice Assistance Grant awarded under the American Recovery and Reinvestment Act.

The Sheriff's Office, located in Baton Rouge, Louisiana, serves the community of East Baton Rouge Parish. The Sheriff's Office is responsible for enforcing the laws of Louisiana and also maintains the East Baton Rouge Parish Prison.

The City of Baton Rouge Police Department (Police Department) is also a major participant in these grant programs, because the grant funds are shared equally with that department.² For the Recovery Act grant, the Sheriff's Office and Police Department shared 98 percent of the grant award equally and the remaining balance was distributed to the City of Baker and City of Zachary Police Departments. The Sheriff's Office serves as the grantee and fiscal agent for the grants and is responsible for ensuring that all grant funds are used appropriately and the goals and objectives of the grants are achieved.

We found that the Sheriff's Office:

- did not have established policies and procedures for grant administrative staff other than sheriff deputy's;
- did not identify some property items as grant-funded property in the inventory system;
- submitted inaccurate financial reports;
- submitted 6 progress reports late and 2 of them were 1,014 and 58 days past the due date;
- did not report measurable outcomes as a result of the new equipment purchases or report on the improvements in efficiency and effectiveness in the progress reports; and
- did not establish procedures to monitor subrecipients according to grant requirements.

Based on our audit results, we make five recommendations to improve the management of Department of Justice grants. These are discussed in detail in the Findings and Recommendations section of the report. Our audit objectives, scope, and methodology are discussed in Appendix 1.

² The Police Department was the only subrecipient for Grant Numbers 2008-DJ-BX-0527, 2009-DJ-BX-0577, 2010-DJ-BX-1636, 2011-DJ-BX-3127, and 2012-DJ-BX-0938. Grant Number 2009-SB-B9-2897 also included the City of Baker and City of Zachary Police Departments as additional subrecipients.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
JUSTICE ASSISTANCE GRANTS AWARDED
TO THE EAST BATON ROUGE SHERIFF’S OFFICE
BATON ROUGE, LOUISIANA**

TABLE OF CONTENTS

INTRODUCTION.....	1
Background	2
Our Audit Approach	2
FINDINGS AND RECOMMENDATIONS	4
Accounting and Internal Controls.....	4
Accountable Property	6
Grant Drawdowns.....	6
Grant Expenditures.....	7
Budget Management and Control.....	7
Grant Reporting	8
Program Performance and Accomplishments.....	11
Monitoring Subrecipients	11
Conclusion.....	12
Recommendations	13
APPENDIX 1 - OBJECTIVES, SCOPE, AND METHODOLOGY.....	14
APPENDIX 2 – OFFICE OF JUSTICE PROGRAMS’ RESPONSE TO THE DRAFT REPORT	15
APPENDIX 3 – EAST BATON ROUGE SHERIFF’S OFFICE RESPONSE TO THE DRAFT REPORT	19
APPENDIX 4 - OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT.....	21

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
JUSTICE ASSISTANCE GRANTS AWARDED
TO THE EAST BATON ROUGE SHERIFF'S OFFICE
BATON ROUGE, LOUISIANA**

INTRODUCTION

The Department of Justice (DOJ) Office of the Inspector General, Audit Division, has completed an audit of Office of Justice Programs (OJP) Edward Byrne Memorial Justice Assistance Grants (JAG) totaling \$3,531,339 awarded to the East Baton Rouge Sheriff's Office (Sheriff's Office). The JAG program is the largest source of federal criminal justice funding for state and local jurisdictions. The 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. JAG program funds may be used for:

- law enforcement programs;
- prosecution and court programs;
- prevention and education;
- corrections and community corrections programs;
- drug treatment; and
- technology improvement programs.

In February 2009, Congress passed the American Recovery and Reinvestment Act (Recovery Act) to help create jobs, stimulate the economy and investment in long-term growth, and foster accountability and transparency in government spending. The Recovery Act provided \$787 billion for tax cuts, education, health care, entitlement programs, contracts, grants, and loans. Recipients of Recovery Act funds were required to report quarterly to FederalReporting.gov on how they spent Recovery Act funds and the number of jobs created or saved. The Department of Justice received \$4 billion in Recovery Act funds and made almost \$2 billion of that funding available through the JAG program.

As shown in Exhibit 1, from 2007 through 2011 OJP awarded the Sheriff's Office \$3,531,339 under the JAG program. One of the grants was made using Recovery Act funds.

**EXHIBIT 1: OFFICE OF JUSTICE PROGRAMS GRANTS
AWARDED TO THE EAST BATON ROUGE SHERIFF'S OFFICE**

GRANT NUMBER	OJP PROGRAM	AWARD START DATE	AWARD END DATE	AWARD AMOUNT
2008-DJ-BX-0527	JAG	10/01/2007	09/30/2011	\$131,727
2009-DJ-BX-0577	JAG	10/01/2008	09/30/2012	\$459,819
2009-SB-B9-2897	JAG ¹	03/01/2009	02/28/2013	\$1,939,158
2010-DJ-BX-1636	JAG	10/01/2009	09/30/2013	\$408,057
2011-DJ-BX-3127	JAG	10/01/2010	09/30/2014	\$326,749
2012-DJ-BX-0938	JAG	10/01/2011	09/30/2015	\$265,829
TOTAL				\$3,531,339

Source: Office of Justice Programs

Background

The Sheriff's Office, located in Baton Rouge, Louisiana, serves the East Baton Rouge Parish. The Sheriff's Office is responsible for enforcing the laws of Louisiana and also maintains the East Baton Rouge Parish Prison.

The City of Baton Rouge Police Department (Police Department) shares grant funds equally with the Sheriff's Office.² The Sheriff's Office established a signed agreement with the Police Department that outlined the sharing of grant funds and responsibilities for each DOJ grant program. For the Recovery Act grant, the Sheriff's Office and Police Department shared 98 percent of the grant award (\$1,892,237) equally and the remaining 2 percent was distributed to the City of Baker (\$28,049) and City of Zachary (\$18,872) Police Departments.

The Sheriff's Office served as the grantee and fiscal agent for the grants and was responsible for ensuring that all grant funds were used appropriately and the goals and objectives were met. The police departments were subrecipients for these grant programs and requested reimbursement for purchases from the Sheriff's Office.

Our Audit Approach

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, the Code of Federal Regulations, Office of Management and Budget (OMB) Circulars, and the grant documents. We tested:

¹ This is an Edward Byrne Memorial Justice Assistance Grant awarded under the American Recovery and Reinvestment Act.

² The Police Department was the only subrecipient for Grant Numbers 2008-DJ-BX-0527, 2009-DJ-BX-0577, 2010-DJ-BX-1636, 2011-DJ-BX-3127, and 2012-DJ-BX-0938. For Grant Number 2009-SB-B9-2897, the Police Department, along with the Cities of Baker and Zachary Police Departments were subrecipients.

- **Accounting and Internal Controls** to determine whether the grantee had sufficient accounting and internal controls in place for the processing and payment of funds and whether controls 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 in accordance with federal requirements;
- **Grant Expenditures** to determine the accuracy and allowability of costs charged to the grant;
- **Budget Management and Control** to examine the amounts budgeted and the actual costs for each approved cost category and determine if the grantee deviated from the approved budget, and if so, if the grantee received the necessary approval;
- **Federal Financial Reports (FFR) and Progress Reports** to determine whether the required reports were submitted on time and accurately reflected grant activity;
- **Property Management** to determine if property items acquired with grant funds are tracked in a system of property records, adequately protected from loss, and used for grant purposes;
- **Accomplishment of Grant Requirements and Objectives** to determine if the grantee met or is capable of meeting the grant's objectives and whether the grantee collected data and developed performance measures to assess accomplishment of the intended objectives; and
- **Monitoring Subrecipients** to determine whether the Sheriff's Office took appropriate steps to ensure that subrecipients met the fiscal and programmatic requirements of the grants.

In conducting our audit, we performed sample testing in the areas of grant expenditures, property management, and grant goals and accomplishments.

FINDINGS AND RECOMMENDATIONS

The Sheriff's Office did not have established policies and procedures for grant administrative staff responsible for overseeing and maintaining the federal funds and programmatic responsibilities of each grant program. Grant-funded property items were not accurately recorded in the inventory system. Progress and performance reporting did not describe measurable outcomes or how the operations were improved as a result of the new equipment purchases. Recovery Act Progress Reports submitted were inaccurate and incomplete based on the actual accounting expenditures per quarterly reporting period. Subrecipients were not properly monitored and there were no written procedures for monitoring subrecipients. Based on our audit results, we make five recommendations to improve the management of DOJ grants.

Accounting and Internal Controls

According to the OJP Financial Guide, grant recipients are required to establish and maintain accounting and internal control systems to account accurately for funds awarded to them. Further, the recipients must have a financial management system that is able to record and report on the receipt, obligation, and expenditures of grant funds. An adequate accounting system will allow a recipient to maintain documentation to support all receipts, obligations, and expenditures of federal funds.

Financial Management System

The Sheriff's Office financial management system included applications for human resources, accounts receivable, payroll, purchasing, and property management. All accounting, payroll, and property management functions are conducted by the Sheriff's Office personnel and none of the work was contracted out.

The financial management system is password protected and all users' access are defined and limited by their function. The system also records each entry with an internal time and date stamp. Grant-related transactions are identified separately in the financial management system.

Internal Controls

We interviewed personnel responsible for the grants' financial and program management and observed accounting activities and processes. The responsibilities of the staff were segregated to help ensure proper recording of grant-related expenditures and activities. However, we found the written policies and procedures for the Sheriff's Office only addressed the duties and responsibilities of the deputy officers, and did not address the specific operations

and functions of the grant administrative staff. The Sheriff's Office should establish policies that describe procedures for the accounting, property, and administrative areas. Established policies and procedures for all staff responsible for grant administrative duties ensures proper management of grant funds. If grant administrative staff depart the Sheriff's Office, the duties and responsibilities could then be carried out by another individual without delay. Our testing also identified internal control weaknesses for drawdowns, accountable property, and financial and progress reports. These weaknesses are discussed in more detail later in this report.

While our audit did not assess the Sheriff's Office overall system of internal controls, we did review the internal controls of the office's financial management system specific to the administration of the grant funds during the grant periods. To assess risk of non-compliance with laws, regulations, guidelines, and terms and conditions of the grants, we interviewed grant administrative staff and observed grant-related duties and responsibilities. We also reviewed the financial systems, policies and procedures, and Single Audit Reports to assess risk.

Recovery Act Planning

We reviewed the Sheriff's Office plan for the receipt and use of Recovery Act grant funds. The Sheriff's Office officials used existing procedures for the administration of the Recovery Act grant and told us they were not aware of the need to establish new procedures specific to the Recovery Act. The Sheriff's Office did not establish any new internal controls to address the requirements to administer Recovery Act funds. The details are discussed in the Monitoring Subrecipients section of this report.

Single Audits

According to the special conditions of the grants, the OJP Financial Guide, and OMB Circular A-133, any organization that expends \$500,000 or more in federal funds in the organization's fiscal year is required to have a single organization-wide audit conducted for that fiscal year. These are referred to as "Single Audits."

The Sheriff's Office accounting specialist told us a single audit was performed annually by an independent accounting firm and the audits were due no later than 9 months after the end of the fiscal year. The fiscal year is from July 1 through June 30. The single audits for fiscal years 2011 and 2012 were completed by the due dates.

We reviewed the fiscal year 2012 Single Audit Report, which identified the following significant deficiencies in federal awards that were not considered material weaknesses that could affect DOJ grants.

Finding 2012-1 – Capital Assets: The process for maintaining the inventory of capital assets did not include the full identification and recording of all donated assets; reconciliation of capital outlay expenditures to capital outlay additions; and results of conducting a comprehensive controlled inventory of capital assets.

Finding 2012-3 – Equipment Used in Federal Programs: One equipment item was purchased with a Department of Homeland Security grant but was not identified as a grant-funded item in the property system.

Accountable Property

The OJP Financial Guide requires that equipment and nonexpendable property records be maintained accurately and include a description, an identification number, and source of the property. The Financial Guide requires that a control system be in effect to ensure adequate safeguards to prevent loss, damage, or theft of property.

According to the property managers at both the Sheriff's Office and the Police Department, only property and equipment with a value of \$5,000 or more are classified as accountable property in the inventory system. We requested that the Sheriff's Office and Police Department provide lists of all grant-funded property items purchased and recorded in their respective inventory systems. Both agencies provided a list of grant-funded property items, but the Sheriff's Office list did not include all items purchased with grant funds. We identified the property items left off the list and the property manager revised the list to include those items. Sheriff's Office officials explained the items were left off the list because they were not identified by the word "Grant" in the status field when recording the items in the property system. Grant-funded items not properly recorded and identified in the inventory system may result in items being lost or stolen. We recommend that the Sheriff's Office develops procedures to ensure that all grant-funded property are recorded properly and identified in the inventory system.

We selected a judgmental sample of 95 out of 630 property items for testing. We were able to verify and confirm that all but three of these property items were in use for grant purposes. Two of the items were in the Sheriff's Office possession but were broken and not in use. These items should be properly disposed of and removed from the inventory system. Also, a third item was assigned to a deputy who was away at training during our site visit. We reviewed supporting documentation for this item and verified the serial number by phone. Except for these three minor discrepancies, we were able to verify and confirm the purchase and accountability of the sampled grant-funded property items.

Grant Drawdowns

The OJP Financial Guide generally requires that recipients time their drawdown requests to ensure that federal cash-on-hand is the minimum needed for disbursements to be made immediately or within 10 days (with the exception of

block grant programs such as JAG). The Financial Guide also requires recipients to maintain all financial records, supporting documents, and other records pertinent to the grant award for at least 3 years following the close of the grant.

Grantee officials told us that drawdowns were based on grant expenditures recorded in the accounting records and records supplied by the Police Department. Sheriff's Office officials told us that expenditures are coded by grant and a detailed financial system report by grant is run periodically. Accounting officials reconcile the grant expenditures to the detail report and verify that expenses are allowable. Reimbursement requests are based on the verified expenses. We determined that there were no written procedures for requesting drawdowns. Such procedures are necessary to provide for accurate and consistent completion of requests.

We compared the grant expenditures to the drawdowns. The drawdowns generally agreed with the accounting records. At the end of each grant period, total drawdowns generally matched total expenditures recorded in the Sheriff's Office accounting records.

Grant Expenditures

The OJP Financial Guide defines allowable costs as those costs identified in the relevant OMB circulars and in the grant program's authorizing legislation. To be allowable under federal awards, costs must be reasonable, allocable, and necessary to the grant, and they must comply with the funding statute requirements. We tested \$1,378,906 (42 percent) of the \$3,286,620 in grant funds expended. We found no material errors in the transactions tested. We identified two items valued at \$354 that were charged to the grants but were not properly supported in Sheriff's Office records. One transaction for \$123 was identified as a non-grant expense but was included in a request for grant reimbursement. A second transaction for \$231 was for telephone charge cards, a printer, and computer flash drives. We did not identify invoices to support these purchases. Because of the minimal value of the unsupported costs, we do not question the transaction amounts.

Budget Management and Control

According to the OJP Financial Guide, a grantee may transfer funds between approved budget categories without OJP approval if the total transfers are 10 percent or less than the grant amount. A Grant Adjustment Notice for transfers of funds between budget categories of over 10 percent must be submitted to OJP for approval. Additionally, there are two other budget modifications that grantees must submit a Grant Adjustment Notice for approval from the OJP. The changes requiring approval are:

- any budget modification that changes the scope of the project, and
- any adjustment that affects a cost category that was not included in the original budget.

We reviewed the budgets submitted for the JAG awards and determined that the grants included only budget categories for equipment. Upon completion of the transaction testing and property management review we found that all transactions were for equipment purchases. Therefore, we determined that the Sheriff's Office performed the grant requirements within the scope of the budgets and did not require any revisions related to the use of the federal funds.

We did not test cumulative transfers among budget categories because these grants do not receive budget approval.³

Grant Reporting

The OJP Financial Guide states that two types of reports are to be submitted by the grantee. Federal Financial Reports (FFR) provide information on monies spent and the unliquidated obligations incurred during the grant period. Progress reports provide information on the performance and activities of a grant. In addition, for Recovery Act grants, grant recipients were required to submit quarterly financial and programmatic reports through FederalReporting.gov.

Federal Financial Reports

Grantees are required to submit timely and accurate financial reports to OJP. Prior to October 2009, the Sheriff's Office was required to submit quarterly Financial Status Reports (FSR) within 45 days after the end of each quarter. Beginning October 1, 2009, the FFR replaced the FSR. FFRs are due 30 days after the end of each calendar quarter. A final financial report is due 90 days after the end of the grant period.

During the time period covered by our audit, the Sheriff's Office was required to submit 65 FFRs for the six grants under review. To test those reports, we reviewed the four most recent quarterly reports for each of the six grants, for a total of 24 reports. Our review determined that one report for Grant Number 2009-DJ-BX-0577 was submitted 1 day late. We do not make a recommendation because we do not consider 1 day late to be material.

We also reviewed the FFRs for accuracy by comparing the federal share of expenditures reported to OJP to the federal expenditures recorded in the Sheriff's Office accounting records. We found the information recorded for the grants under audit were accurate except for two reporting periods for Grant Number 2009-SB-B9-2897. During the grant reporting period ended June 30, 2012, the Sheriff's Office recorded an expenditure of \$26,186 for a vehicle and supplies. Also, for the grant reporting period ended September 30, 2012, the Sheriff's Office recorded an expenditure of \$18,872 for the purchase of tasers by the Zachary Police Department. The Grant Manager explained that the expenditures were previously reported to OJP and the FFRs for these periods showed no current

³ The Office of Justice Programs documents budget approval by a financial clearance memorandum. JAG awards do not receive a financial clearance memorandum.

expenditures. This difference occurred because the Grant Manager believed the purchases were made earlier, but the accounting department did not record the expenses until later after the transactions were actually paid. Since Recovery Act reporting has concluded and subsequent FFRs were properly recorded and accurate, we do not provide a recommendation regarding this error.

Progress Reports

According to the OJP Financial Guide, award recipients must submit annual progress reports for formula awards, due no later than December 31 for the activities and results achieved during the prior federal fiscal period. These reports present information relevant to the performance of each grant project. According to 28 Code of Federal Regulations, Section 66.40, progress reports will contain for each grant, brief information on:

- a comparison of actual accomplishments to the objectives established for the period;
- the reasons for slippage if established objectives were not met; and
- additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

We tested whether the Sheriff's Office submitted timely, complete and accurate progress reports. During the time period covered by our audit, the Sheriff's Office was required to submit 18 progress reports for the 6 grants under review. We tested all progress reports by reviewing them for the past four years. We determined that six progress reports were submitted late. For Grant Number 2008-DJ-BX-0527, one report was 1,014 days late. This was because OJP conducted a review of this grant and found some unallowable costs. The Sheriff's Office waited until these costs were resolved and then submitted the final report. For Grant Number 2010-DJ-BX-1636, two reports were late, one was 58 days late and the other was 10 days late. For Grant Number 2011-DJ-BX-3127, two reports were late, one was 18 days late and the other was 8 days late. For Grant Number 2012-DJ-BX-0938, one report was 8 days late. The Sheriff's Office official responsible for completing the reports said these reports were late because he was not able to get the information together prior to the submission date.

We reviewed the progress reports to determine if they were prepared with complete and accurate information. The Sheriff's Office was required to purchase equipment. We reviewed at least one progress report from each grant in our audit. The information contained in these reports was generally accurate and contained some narrative description of the items purchased during the reporting period. All of the items we reviewed were purchased and used according to grant requirements.

Recovery Act Reports

The Recovery Act, Section 1512, requires recipients of Recovery Act funds to report their funds received, a list of projects and activities, and details on subawards to FederalReporting.gov. The initial report was due October 10, 2009, with quarterly reports due 10 days after the close of each quarter thereafter. The Sheriff's Office was responsible for reporting on their activities and the activities of the subrecipients under this grant. The Sheriff's Office completed one aggregate report of all grant activities each quarter during the grant period.

We tested nine quarterly reports by comparing the grant expenditures reported to the accounting records.⁴ As shown in Exhibit 2, the amounts reported in the quarterly reports varied greatly from the amounts actually recorded in the accounting records.

EXHIBIT 2: RECOVERY ACT REPORTING ACCURACY

REPORT PERIOD QUARTER ENDED	EXPENDITURES REPORTED PER RECOVERY ACT REPORTS	EXPENDITURES PER ACCOUNTING RECORDS	OVER/(UNDER) DIFFERENCE
12/31/2009	\$0	\$79,588	(\$79,588)
03/31/2010	\$1,053,483	\$6,200	\$1,047,283
06/30/2010	\$463,327	\$432,880	\$30,447
09/30/2010	\$0	\$1,375,432	(\$1,375,432)
12/31/2010	\$319,553	\$0	\$319,553
03/31/2011	\$0	\$0	\$0
06/30/2011	\$0 ⁵	\$26,186	(\$26,186)
09/30/2011	\$0	\$18,872	\$(18,872)
12/31/2011	\$18,872	\$0	\$18,872
TOTAL			(\$83,923)

Source: FederalReporting.gov and the Sheriff's Office Accounting Records

The Sheriff's Office grant manager told us the differences occurred because he prepared the reports based on records he maintained rather than official accounting records. The grant manager's records often did not include all purchases made during the reporting periods. We determined that better coordination between the grant manager and the accounting department is necessary to ensure accurate reporting of grant expenditures. The grant manager should have reconciled his recorded expenditures to the expenditures recorded in the accounting records prior to preparing the quarterly reports. Because Recovery Act reporting ceased as of the report period ending December 31, 2013, we make no recommendations regarding these reports.

⁴ The Sheriff's Office expended all grant funds as of September 30, 2011, and submitted a final report as of December 31, 2011.

⁵ No summary report was on Recovery.gov for this grant period.

Program Performance and Accomplishments

Grant goals and accomplishments should be based on measurable outcomes. The Government Performance and Result Act provides a framework for setting goals, measuring progress, and using data to improve performance. To measure progress, grantees should establish a baseline measure and a system for collecting and analyzing data needed to measure progress.

To identify specific objectives for the awards covered in our audit, we reviewed the award documentation received by the Sheriff's Office. We identified the goals and objectives from the six grants reviewed and compared the objectives to the status of the projects reported in the Sheriff's Office progress reports.

The Sheriff's Office identified equipment purchases as their goals and objectives in the grant documentation and did not address how the purchased equipment would enhance their law enforcement operations. The subrecipients also identified the equipment to be purchased and stated the purchases were to improve or enhance law enforcement services in the area or division where the purchases were made.

We reviewed the progress reports and compared the purchases identified to transactions recorded. We found that the equipment had been purchased as the Sheriff's Office and subrecipients stated in their grant documentation. However, the Sheriff's Office did not provide any measurable outcomes for performance, nor was there an explanation in the progress reports stating how the purchase of the new equipment improved efficiency or the effectiveness of their operations. We discussed with officials how the purchased equipment enhanced their law enforcement services. The officials told us the new police vehicles resulted in less downtime for maintenance and allowed for more time patrolling. They said that the new surveillance system provided more exposure at local athletic events and allowed for better response to incidents. The Police Department grant manager told us their helicopter provided additional search capabilities. Generally, the Sheriff's Office officials said that the equipment purchases improved and enhanced law enforcement. However, we believe the Sheriff's Office should include measurable outcomes in their grant applications so that it can report how grant funds improved law enforcement operations.

Monitoring Subrecipients

According to the OJP Financial Guide, primary recipients of grant funds are responsible for monitoring subrecipients to ensure they fulfill the fiscal and programmatic requirements of the grants. The purpose of monitoring subrecipients is to ensure that federal grant funds are spent in accordance with the federal program and grant requirements, laws, and regulations.

The Sheriff's Office was responsible for monitoring the Baton Rouge Police Department, the Baker Police Department, and the Zachary Police Department as subrecipients of the grant funds we reviewed. We identified two concerns with the Sheriff's Office subrecipient monitoring practices.

Sheriff's Office officials and the police departments signed a memorandum of understanding (MOU) for each grant award. The MOU outlined the award amount, details for accounting for grant funds and purchased equipment, approval procedures, and responsible officials. The MOU briefly discussed monitoring for equipment purchases to ensure subrecipients were informed that all purchased items, and relevant documentation should be made available upon request for inspection at any time as needed for program compliance monitoring. However, the MOU did not communicate plans by the Sheriff's Office to ensure equipment purchases were made timely, properly identified, recorded in inventory records, and used for grant purposes. OJP guidance requires subrecipient agreements to include: award name and number; activities to be performed; period of performance; project policies; flow through requirements that are applicable to the subrecipient; policies and procedures; dollar amount; and cost principles to be used in determining allowable costs. OJP guidance also requires written subrecipient monitoring policies and procedures. Without adequate monitoring procedures, subrecipients may not be accountable to adhere to all terms and conditions of the grants.

In addition, the Sheriff's Office did not maintain supporting documentation for its subrecipient monitoring. Sheriff's Office officials told us monitoring procedures were informal and communicated with the police departments by phone or email. OJP requires prime recipients to develop systems, policies, and procedures to ensure subrecipient activities are conducted in accordance with federal program and grant requirements. Monitoring may include review of monthly financial and performance reports, subrecipient site visits, and regular communication concerning program activities. We believe the Sheriff's Office should establish procedures to ensure its staff monitor the police departments in accordance with grant requirements and maintain documentation that would support subrecipient monitoring was accomplished.

We concluded that the Sheriff's Office did not establish procedures to adequately monitor subrecipients. The lack of adequate monitoring was caused by the Sheriff's Office staff not fully understanding their requirement for monitoring. The lack of monitoring of subrecipients may lead to improper grant spending, inaccurate recording of expenditures, or not completing the objectives of the grant. We recommend that OJP require the Sheriff's Office to establish and implement procedures to monitor subrecipients in accordance with grant requirements.

Conclusion

The Sheriff's Office complied with most grant requirements, but we found weaknesses in the areas of internal controls, accountable property, grant reporting, and monitoring of subrecipients. The Sheriff's Office did not have established

policies and procedures that communicated the duties and responsibilities for grant administrative staff to ensure the proper oversight of grant funds. The grant-funded property items were not always identified in the inventory system. Financial reports completed by the Sheriff's Office were not always accurate. Progress and performance reporting did not describe measurable outcomes or how the operations were improved as a result of the new grant purchases. Six annual progress reports were submitted late and two of those were submitted 1,014 and 58 days past the due date. The Sheriff's Office did not establish procedures to adequately monitor subrecipients or maintain the supporting documentation for monitoring.

Based on our audit results we make five recommendations to improve the management of DOJ grants.

Recommendations

We recommend that OJP:

1. Ensure the Sheriff's Office establishes and implements policies and procedures for all grant-related staff, including the grant manager, accounting staff, and property manager.
2. Ensure the Sheriff's Office establishes and implements procedures so that all grant property purchases are recorded accurately and properly identified in the inventory system.
3. Ensure the Sheriff's Office establishes and implements procedures for completing all federal financial reports and progress reports in accordance with the grant requirements.
4. Ensure the Sheriff's Office provides measurable outcomes for grant purchases and reports the improvements in effectiveness and efficiency as a result of the new purchases.
5. Ensure the Sheriff's Office establishes and implements procedures for monitoring subrecipients in accordance with grant requirements.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of the audit were to determine whether the Sheriff's Office complied with essential grant conditions pertaining to: (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) post-grant end-date activities, (8) property management, (9) matching costs, (10) program income, (11) monitoring of subrecipients and contractors, and (12) special requirements. To accomplish this objective, we assessed performance in the following areas of grant management: financial management, federal financial reports, budget management and control, drawdowns, expenditures, and program performance.

We conducted our audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient and 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 2008, 2009, 2010, 2011, 2012, Office of Justice Programs (OJP) Edward Byrne Memorial Justice Assistance Grants (JAG). We tested compliance with what we consider to be the most important conditions of the grants. Unless otherwise stated in our report, the criteria we audit against are contained in the Office of Justice Programs Financial Guide, Office of Management and Budget Circulars, and specific grant program guidance. The Sheriff's Office was awarded \$3,531,339 under the OJP JAG program from 2007 through 2011. We tested \$1,378,906 (42 percent) of the \$3,286,620 in grant funds expended.

In conducting our audit, we performed sample testing in drawdowns, grant expenditures, and property management. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants we reviewed, such as dollar amounts or risk of loss. We selected judgmental sample sizes for the testing of each grant. This non-statistical sample design does not allow extrapolation of the test results to the universe from which the samples were drawn.

In addition, we reviewed the timeliness and accuracy of financial and grant progress reports and compared performance to grant goals. We did not assess the reliability of the financial management system as a whole.

OFFICE OF JUSTICE PROGRAMS'
RESPONSE TO THE DRAFT REPORT



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

November 18, 2014

MEMORANDUM TO: Ferris B. Polk
Regional Audit Manager
Atlanta Regional Audit Office
Office of the Inspector General

FROM: /s/
Jeffery A. Haley
Acting Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Justice Assistance Grants Awarded to the East Baton Rouge Sheriff's Office, Baton Rouge, Louisiana*

This memorandum is in reference to your correspondence, dated October 17, 2014, transmitting the above-referenced draft audit report for the East Baton Rouge Sheriff's Office (Sheriff's Office). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **five** recommendations and **no** questioned costs. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

1. **We recommend that OJP ensure that the Sheriff's Office establishes and implements policies and procedures for all grant-related staff, including the grant manager, accounting staff, and property manager.**

OJP agrees with the recommendation. We will coordinate with the Sheriff's Office to obtain a copy of policies and procedures, developed and implemented, to ensure that roles and responsibilities for all grant-related staff, including the grant manager, accounting staff, and property manager, are established.

- 2. We recommend that OJP ensure that the Sheriff's Office establishes and implements procedures so that all grant property purchases are recorded accurately and properly identified in the inventory system.**

OJP agrees with the recommendation. We will coordinate with Sheriff's Office to obtain a copy of policies and procedures, developed and implemented, to ensure that accountable property purchased with Federal grant funds is accurately recorded and properly identified in the Sheriff's Office's inventory system.

- 3. We recommend that OJP ensure that the Sheriff's Office establishes and implements procedures for completing all Federal financial reports and progress reports in accordance with the grant requirements.**

OJP agrees with the recommendation. We will coordinate with the Sheriff's Office to obtain a copy of policies and procedures, developed and implemented, to ensure that future Federal Financial Reports and progress reports are accurately prepared and timely submitted.

- 4. We recommend that OJP ensure that the Sheriff's Office provides measurable outcomes for grant purchases and reports the improvements in effectiveness and efficiency as a result of the purchases.**

OJP agrees with the recommendation. We will coordinate with the Sheriff's Office to obtain a copy of policies and procedures, developed and implemented, to ensure that future progress and performance reports include measurable outcomes and related data, to gauge the improvements in effectiveness and efficiency as a result of purchases made with Federal grant funds.

- 5. We recommend that OJP ensure that the Sheriff's Office establishes and implements procedures for monitoring subrecipients in accordance with grant requirements.**

OJP agrees with the recommendation. We will coordinate with the Sheriff's Office to obtain a copy of policies and procedures, developed and implemented, to ensure that Federal grant funds awarded to subrecipients are properly accounted for, controlled, and monitored.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Linda Taylor, Lead Auditor, Audit Coordination Branch, Audit and Review Division, on (202) 514-7270.

cc: Linda J. Taylor
Lead Auditor, Audit Coordination Branch
Audit and Review Division
Office of Audit, Assessment, and Management

cc: Denise O'Donnell
Director
Bureau of Justice Assistance

Tracey Trautman
Deputy Director for Programs
Bureau of Justice Assistance

Eileen Garry
Deputy Director
Bureau of Justice Assistance

Amanda LoCicero
Budget Analyst
Bureau of Justice Assistance

Lucia Turck
Grant Program Specialist
Bureau of Justice Assistance

Elizabeth White
Grant Program Specialist
Bureau of Justice Assistance

Leigh A. Benda
Chief Financial Officer

Christal McNeil-Wright
Associate Chief Financial Officer
Grants Financial Management Division
Office of the Chief Financial Officer

Jerry Conty
Assistant Chief Financial Officer
Grants Financial Management Division
Office of the Chief Financial Officer

Aida Brumme
Acting Manager, Evaluation and Oversight Division
Grants Financial Management Division
Office of the Chief Financial Officer

Richard P. Theis
Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

cc: OJP Executive Secretariat
Control Number IT20141021085645

**EAST BATON ROUGE SHERIFF'S OFFICE
RESPONSE TO THE DRAFT REPORT**



SHERIFF
East Baton Rouge Parish
Post Office Box 3277
Baton Rouge, Louisiana 70821

SID J. GAUTREAUX, III
SHERIFF & TAX COLLECTOR

www.ebrso.org

225-389-5000
FAX 225-389-5032

October 24, 2014

Response to United States Department of Justice (USDOJ) Office of Inspector General (OIG) Audit

Recommendation 1 – Ensure the Sheriff’s Office establishes and implements policies and procedures for all grant-related staff, including the grant manager, accounting staff, and property manager.

East Baton Rouge Sheriff’s Office Response – We concur with this recommendation and will draft a Grants Policies and Procedures Manual to cover all grant-related staff to including the grant manager, grant accounting staff, and property manager. This draft will be completed no later than November 30, 2014. The draft will be forwarded to the EBRSO Administration for approval. The approved Grants Policies and Procedures Manual will be sent to USDOJ OIG no later than December 15, 2014.

Recommendation 2 – Ensure the Sheriff’s Office establishes and implements procedures so that all grant property purchases are recorded accurately and properly identified in the inventory system.

East Baton Rouge Sheriff’s Office Response – The EBRSO implemented a new Capital Assets Policy on March 11, 2014. This policy covers the procedures to properly record and identify grant-related capital asset purchases in the inventory system.

Recommendation 3 – Ensure the Sheriff’s Office establishes and implements procedures for completing all federal financial reports and progress reports in accordance with the grant requirements.

East Baton Rouge Sheriff’s Office Response – We concur with this recommendation and will draft a Grants Policies and Procedures Manual to cover timely completion of federal financial reports and progress reports in accordance with grant requirements. This draft will be completed no later than November 30, 2014. The draft will be forwarded to the EBRSO Administration for approval. The approved Grants Policies and Procedures Manual will be sent to USDOJ OIG no later than December 15, 2014.

SAFER STRONGER BETTER TOGETHER

Recommendation 4 – Ensure the Sheriff’s Office provides measurable outcomes for grant purchases and reports the improvements in effectiveness and efficiency as a result of the purchases.

East Baton Rouge Sheriff’s Office Response – We concur with this recommendation and will ensure future grant report contains measurable outcomes for grant purchases and reports the improvements in effectiveness and efficiency as a result of the purchases. The reporting will be conducted by the Grants Manager, Briant Beard.

Recommendation 5 – Ensure the Sheriff’s Office establishes and implements procedures for monitoring subrecipients in accordance with grant requirements.

East Baton Rouge Sheriff’s Office Response – We concur with this recommendation and will draft a Grants Policies and Procedures Manual to cover procedures for monitoring subrecipients in accordance with grant requirements. This draft will be completed no later than November 30, 2014. The draft will be forwarded to the EBRSO Administration for approval. The approved Grants Policies and Procedures Manual will be sent to USDOJ OIG no later than December 15, 2014.

OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT

The Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP) and East Baton Rouge Sheriff's Office (Sheriff's Office) for review and comment. OJP's response is incorporated in Appendix 2 and the Sheriff's Office response is incorporated in Appendix 3. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations:

- 1. Ensure the Sheriff's Office establishes and implements policies and procedures for all grant-related staff, including the grant manager, accounting staff, and property manager.**

Resolved. OJP concurred and stated that it will coordinate with the Sheriff's Office to obtain a copy of policies and procedures, developed and implemented, to ensure that roles and responsibilities for all grant-related staff, including the grant manager, accounting staff, and property manager, are established.

The Sheriff's Office stated it agreed with this recommendation and plans to draft a grants policy and procedures manual to cover all grant-related staff to include the grant manager, grant accounting staff, and property manager. The Sheriff's Office plans to provide the approved manual no later than December 15, 2014.

This recommendation can be closed when we receive evidence that the Sheriff's Office implemented adequate policies and procedures for all grant-related staff, including the grant manager, accounting staff, and property manager.

- 2. Ensure the Sheriff's Office establishes and implements procedures so that all grant property purchases are recorded accurately and properly identified in the inventory system.**

Resolved. OJP concurred and stated it will coordinate with the Sheriff's Office to obtain a copy of policies and procedures, developed and implemented, to ensure that accountable property purchased with federal grant funds is accurately recorded and properly identified in the Sheriff's Office inventory system.

The Sheriff's Office stated it agreed with this recommendation and implemented a new capital assets policy that covers procedures to properly

record and identify grant-related capital asset purchases in the inventory system.

This recommendation can be closed when we receive evidence that the policy implemented ensures that all grant-related purchases are recorded accurately and properly identified in the inventory system.

3. Ensure the Sheriff's Office establishes and implements procedures for completing all federal financial reports and progress reports in accordance with the grant requirements.

Resolved. OJP concurred and stated it will coordinate with the Sheriff's Office to obtain a copy of policies and procedures, developed and implemented, to ensure that future federal financial and progress reports are accurately prepared and timely submitted.

The Sheriff's Office stated it agreed with this recommendation and plan to draft a grants policy and procedures manual to cover the timely completion of financial and progress reports. The Sheriff's Office plans to provide the approved manual no later than December 15, 2014.

This recommendation can be closed when we receive evidence that the policy and procedures manual adequately covers the timely completion of all grant-required financial and progress reports.

4. Ensure the Sheriff's Office provides measureable outcomes for grant purchases and reports the improvements in effectiveness and efficiency as a result of the new purchases.

Resolved. OJP concurred with this recommendation and stated it will coordinate with the Sheriff's Office to obtain a copy of policies and procedures, developed and implemented, to ensure that future progress and performance reports include measurable outcomes and related data, to gauge the improvements in effectiveness and efficiency as a result of purchases made with grant funds.

The Sheriff's Office agreed and stated it will ensure future grant reports contain measurable outcomes for grant purchases and improvements are reported as a result of grant-related purchases.

This recommendation can be closed when we receive adequate procedures implemented by the Sheriff's Office that ensure measureable outcomes for grant purchases are provided and improvements in effectiveness and efficiency are reported as a result of the grant-related purchases.

5. Ensure the Sheriff's Office establishes and implements procedures for monitoring subrecipients in accordance with grant requirements.

Resolved. OJP concurred with this recommendation and stated it will coordinate with the Sheriff's Office to obtain policies and procedures, developed and implemented, to ensure that federal grant funds awarded to subrecipients are properly accounted for, controlled, and monitored.

The Sheriff's Office agreed and stated it plans to draft a grants policies and procedures manual to cover procedures for monitoring subrecipients in accordance with grant requirements. The Sheriff's Office plans to provide the approved manual no later than December 15, 2014.

This recommendation can be closed when we receive adequate procedures implemented by the Sheriff's Office for monitoring subrecipients in accordance with grant requirements.

The Department of Justice Office of the Inspector General (DOJ OIG) is a statutorily created independent entity whose mission is to detect and deter waste, fraud, abuse, and misconduct in the Department of Justice, and to promote economy and efficiency in the Department's operations. Information may be reported to the DOJ OIG's hotline at www.justice.gov/oig/hotline or (800) 869-4499.



Office of the Inspector General
U.S. Department of Justice
www.justice.gov/oig