



**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS DNA
BACKLOG REDUCTION PROGRAM GRANT AWARDED TO
THE TEXAS DEPARTMENT OF PUBLIC SAFETY
AUSTIN, TEXAS**

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

Audit Report GR-60-14-010
May 2014

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS DNA
BACKLOG REDUCTION PROGRAM GRANT AWARDED
TO THE TEXAS DEPARTMENT OF PUBLIC SAFETY
AUSTIN, TEXAS**

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 (OJP), National Institute of Justice (NIJ) Fiscal Year (FY) 2012 DNA Backlog Reduction Program, Grant No. 2012-DN-BX-0047 totaling \$3,234,426, awarded to the Texas Department of Public Safety, Austin, Texas (TXDPS), as shown in Exhibit 1.

EXHIBIT 1: GRANT AWARDED TO TXDPS

AWARD NUMBER	AWARD DATE	PROJECT START DATE	PROJECT END DATE	AWARD AMOUNT
2012-DN-BX-0047	08/08/12	10/01/12	03/31/14	3,234,426

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

The grant was awarded under the OJP, NIJ FY 2012 DNA Backlog Reduction Program. The program funds States and units of local government with existing crime laboratories that conduct DNA analysis to process, record, screen, and analyze forensic and database DNA samples, and to increase the capacity of public forensic and database DNA laboratories to process more DNA samples, thereby helping to reduce the number of forensic and database DNA samples awaiting analysis.¹

Our Audit Approach

The purpose of the audit was to determine whether costs claimed under grant No. 2012-DN-BX-0047 were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the agreement. 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) property management, and (8) special grant requirements. We determined that post end-date activities, matching costs, program income, and monitoring of subgrantees and contractors were not applicable to this performance 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 documents.

¹ DNA is an abbreviation of deoxyribonucleic acid.

Based on our audit testing, we determined that TXDPS did not comply with all of the grant requirements we tested. Specifically, we found three expenses charged to the grant that were not in the approved budget, including: (1) \$2,750 for thermal cyclers maintenance; (2) \$5,425 to upgrade a walk-in freezer control panel; and (3) \$3,558 for a flat panel arm to mount a touch screen monitor, resulting in \$11,733 in questioned costs.

We make one recommendation as a result of our audit of the grant. It is discussed in detail in the Findings and Recommendations section of the report. Our audit Objective, Scope, and Methodology appear in *Appendix I* and our Schedule of Dollar-Related findings are located in *Appendix II*.

TABLE OF CONTENTS

INTRODUCTION 1
 Background..... 1
 Our Audit Approach..... 2
FINDINGS AND RECOMMENDATIONS 4
 Internal Control Environment 4
 Single Audit..... 4
 Financial Management System 4
 Drawdowns 5
 Grant Expenditures 5
 Budget Management and Control 6
 Reporting 6
 Financial Reporting..... 7
 Semiannual Progress Reports 7
 Program Performance and Accomplishments 7
 Program Objectives 8
 Analysis of Program Performance 8
 Grant Requirements 9
 Conclusion 9
 Recommendation 9
APPENDIX I – OBJECTIVE, SCOPE, AND METHODOLOGY 10
APPENDIX II – SCHEDULE OF DOLLAR-RELATED FINDINGS..... 12
**APPENDIX III – THE TEXAS DEPARTMENT OF PUBLIC SAFETY’S
 RESPONSE TO THE DRAFT REPORT 13**
**APPENDIX IV – THE OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE
 DRAFT REPORT 14**
**APPENDIX IV – OFFICE OF THE INSPECTOR GENERAL ANALYSIS
 ANDSUMMAR OF ACTIONS NECESSARY TO CLOSE THE REPORT..... 16**

AUDIT OF THE OFFICE OF JUSTICE PROGRAMS DNA BACKLOG REDUCTION PROGRAM GRANT AWARDED TO THE TEXAS DEPARTMENT OF PUBLIC SAFETY AUSTIN, TEXAS

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 (OJP), National Institute of Justice (NIJ) Fiscal Year (FY) 2012 DNA Backlog Reduction Program, Grant No. 2012-DN-BX-0047 totaling \$3,234,426, awarded to the Texas Department of Public Safety, Austin, Texas (TXDPS) as shown in Exhibit 1.

EXHIBIT 1: GRANT AWARDED TO TXDPS

AWARD NUMBER	AWARD DATE	PROJECT START DATE	PROJECT END DATE	AWARD AMOUNT
2012-DN-BX-0047	08/08/12	10/01/12	03/31/14	\$3,234,426

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

Background

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. 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 NIJ, the research, development and evaluation agency of the U.S. Department of Justice, is dedicated to improving knowledge and understanding of crime and justice issues through science. The NIJ provides objective and independent knowledge and tools to reduce crime and promote justice, particularly at the state and local levels.

The goal of the FY 2012 DNA Backlog Reduction Program is to assist eligible states and units of local government to process, record, screen, and analyze forensic and database DNA samples, and to increase the capacity of public forensic and database DNA laboratories to process more DNA samples, thereby helping to reduce the number of forensic and database DNA samples awaiting analysis.¹

Since 1823, the mission of the TXDPS has been to protect and serve Texas, first as the Texas Rangers and then starting in 1935 as the Texas Department of Public Safety. The TXDPS operates 13 regional crime laboratories which support

¹ DNA is an abbreviation of deoxyribonucleic acid.

over 1,500 local, state, and federal law enforcement agencies and the criminal justice system as a whole by analyzing evidence associated with criminal investigation, providing reports of the analysis of evidence to the prosecuting attorneys and courts, and by providing testimony.

Our Audit Approach

The purpose of the audit was to determine whether costs claimed under grant No. 2012-DN-BX-0047 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) property management, and (8) special grant requirements. We determined that post end-date activities, matching costs, program income, and monitoring of subgrantees and contractors were not applicable to this performance 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 documents. We tested TXDPS'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 grant.
- **Drawdowns** to determine whether drawdowns were adequately supported and if the TXDPS was expending drawdowns timely.
- **Expenditures** to determine the accuracy and allowability of costs charged to the grant, including accountable property, payroll expenditures, fringe benefit expenditures, and indirect costs.
- **Budget Management and Control** to determine whether there were deviations between the amounts budgeted and the actual costs for each category.
- **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.
- **Program Performance and Accomplishments** to determine whether the TXDPS has met the grant objectives.
- **Grant Requirements** to determine whether the TXDPS complied with grant guidelines and special conditions.

As a result of our audit, we make one recommendation as discussed in detail in the Findings and Recommendations section of this report. Our audit Objective, Scope, and Methodology appear in *Appendix I* and our Schedule of Dollar-Related Findings are shown in *Appendix II*.

FINDINGS AND RECOMMENDATIONS

We determined that the TXDPS has documented policies and procedures related to procurement functions. Drawdowns were adequately supported and expended timely. Generally, financial and progress reports were accurate and were submitted within the required timeframes. Specific to progress reports, we did not find anything that would indicate the TXDPS was not reporting actual accomplishments, in-line with the program goals and objectives. However, we did find that the TXDPS charged three expenses to the grant that were not in the approved budget, including: (1) \$2,750 for thermal cyler maintenance; (2) \$5,425 to upgrade a walk-in freezer control panel; and (3) \$3,558 for a flat panel arm to mount a touch screen monitor, resulting in \$11,733 in questioned costs.

Internal Control Environment

We reviewed the TXDPS's internal control environment, including procurement, receiving, payment, and payroll procedures to determine compliance with the terms and conditions of the grant 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. The State of Texas issues both a Financial Portion of the Statewide Single Audit Report and a Federal Portion of the Statewide Single audit report. The Financial Portion of the Statewide Single audit is conducted by the State of Texas Auditor's Office and the Federal Portion of the Statewide Single Audit Report is conducted by independent auditors. We determined that the most recent TXDPS Single Audit, for both the financial portion and the federal portion was for FY 2012, which ended August 31, 2012. We reviewed the audit reports and found for the federal portion, no findings were identified for DOJ grants awarded to the TXDPS.

Financial Management System

We reviewed the TXDPS's financial management system, interviewed officials, and inspected grant documents. We determined that the TXDPS has documented policies and procedures related to procurement functions.

The financial management system used by the TXDPS is the Unified Statewide Accounting System (USAS). The components include revenue, expenses, and capital assets. In addition the TXDPS utilizes a Unified Statewide Payroll System and an Employee Time and Attendance System. TXDPS employees are assigned a user ID for access to USAS. Passwords are created in connection with the user ID's

and transactions can be traced back to the user who processed the transaction through their user ID.

The TXDPS has written policies and procedures for purchasing and procurement that detail the ways in which purchases can be made. Specifically, the majority of purchases by the agency are done using a PPP-1 form; it is an electronic form that requires a three-way match to a purchase order, invoice and receiving report. An employee issued procurement card can be used to purchase goods or services up to \$2,000. A manual spot purchase order can be used to purchase goods or services up to \$5,000.

Drawdowns

The *OJP Financial Guide* states that award recipients should request funds based upon immediate disbursement or reimbursement needs. Award recipients should time their drawdown requests to ensure that federal cash on hand is the minimum needed for reimbursement or disbursements that are to be made immediately or within 10 days.

As of October 24, 2013, the TXDPS drew down a total of \$1,559,420 under the grant. TXDPS officials stated that drawdowns were requested on a reimbursement basis and we compared the drawdowns to the TXDPS accounting records and found funds were drawn on a reimbursement basis. In addition, the comparison showed the accounting records supported more than the cumulative drawdowns.

Grant Expenditures

According to the accounting records, as of November 12, 2013, the TXDPS expended a total of \$1,988,210. These expenditures were comprised of direct costs and included personnel, fringe benefits, travel, equipment, supplies, and other direct costs.

To determine if grant funds expended were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, we tested a judgmental sample of 50 transactions from a universe of 828 transactions. We reviewed documentation to determine if the expenses were approved and authorized, within the scope of the grant, properly classified in the accounting records, properly supported, and correctly charged to the grant. In performing the transaction tests, we found the following:

- All 50 expenses in our sample were properly classified in the accounting records.
- All 50 expenses in our sample had sufficiently detailed and complete supporting documentation, which identified the correct amount charged to the grant.

- 49 of the 50 expenses in our sample were within the scope of the grant. One expense was approved but should have been charged to a previous grant. Specifically, a conference registration fee, which was approved in the budget for grant No. 2011-DN-BX-K407, was charged to grant No. 2012-DN-BX-0047. During our audit, we notified the TXDPS of the incorrect posting. TXDPS officials reviewed the transaction and agreed to re-classify the expense to grant No. 2011-DN-BX-K407. As a result, we take no further exception to this expense

In addition, three expenses in our sample were not approved in the grant budget. Specifically, we found:

- \$2,750 charged to conduct maintenance on a thermal cyclers,
- \$5,425 for an upgrade to a walk-in freezer control panel, and
- \$3,558 for the purchase of a flat panel arm to mount a touch screen monitor.

Although these expenditures may have supported grant activities, at the time of our audit, the TXDPS had not submitted a Grant Adjustment Notice (GAN) for the approval of these expenditures. As a result, we questioned these costs and recommend OJP remedy the \$11,733 associated with these unallowable expenditures.

Budget Management and Control

The *OJP Financial Guide* states that movement of dollars between approved budget categories is allowed up to 10 percent of the total budget amount provided there is no change in project scope. When cumulative changes exceed 10 percent of the total award amount or change the scope of the project, prior approval is required of OJP. We compared the total expenditures by budget category between the TXDPS's financial records and OJP's approved budget. Our analysis did not reveal any movement of expenditures greater than 10 percent of total budgeted expenditures.

Reporting

According to the *OJP Financial Guide*, award recipients are required to submit both quarterly Federal Financial Reports (FFR) and semiannual Progress Reports. These reports described the status of the funds, compared actual accomplishments to the objectives of the agreements, and reported other pertinent information. We reviewed the FFRs and Progress Reports submitted by the TXDPS to determine whether accurate information was reported and whether each report was submitted in a timely manner.

Financial Reporting

According to the *OJP Financial Guide*, the quarterly FFRs are due no later than 30 days after the end of the quarter, with the final FFR due within 90 days after the end date of the award. We reviewed the timeliness of the five FFRs submitted under grant No. 2012-DN-BX-0047, and found the TXDPS generally submitted its FFRs in the required timeframes.

We also reviewed the first four FFR to determine whether the report contained accurate information related to actual expenditures incurred during the reporting period. Our comparison of expenditures reported in the FFR's to expenditures recorded in the TXDPS's accounting system revealed the FFRs were supported by the accounting records.

Semiannual Progress Reports

According to the *OJP Financial Guide*, progress reports must be submitted within 30 days after the end of the reporting periods of June 30 and December 31, for the life of the award. As of January 30, 2014, the TXDPS was required to submit 3 progress reports. We found that the TXDPS generally submitted its progress reports within the required timeframes.

We also reviewed progress reports to see if the TXDPS was reporting accomplishments in line with the program goals and objectives. The Backlog Reduction program progress reports are a template that includes two main sections, performance measures and a narrative. The performance measure section includes statistical data ranging from the number of days it takes the lab to process samples to the number of days it takes to upload a profile into the Combined DNA Index System (CODIS).²

We reviewed the information submitted in progress report No. 2 and compared that information to the goals and objectives in the award documents and the information contained in the program narrative. We did not find anything that led us to believe the Progress Reports were not reporting actual accomplishments, in line with the goals and objectives of the grant.

Program Performance and Accomplishments

Under the FY 2012 DNA Backlog Reduction award, OJP furthers the Department of Justice mission by funding states and units of local government with existing crime laboratories that conduct DNA analysis to process, record, screen, and analyze forensic and database DNA samples, and to increase the capacity of public forensic and database DNA laboratories to process more DNA samples, thereby

² CODIS is the acronym for the Combined DNA Index System and is the generic term used to describe the FBI's program of support for criminal justice DNA databases as well as the software used to run these databases.

helping to reduce the number of forensic and database DNA samples awaiting analysis.

Program Objectives

As mentioned previously, under Semiannual Progress Reports, the Backlog Reduction program progress reports are a template that includes two main sections, performance measures and a narrative. The performance measure section includes statistical data ranging from the number of days it takes the lab to process samples to the number of days it takes to upload a profile into CODIS.

According to the progress report, there are three goals, each of which contains anywhere from one to three objectives. Specifically:

Goal 1: Forensic DNA Backlog Reduction

Objective A: TXDPS will purchase consumable supplies including DNA extraction, quantification, and analysis kits to use in analysis of backlogged DNA samples.

Objective B: TXDPS will continue the employment of 12 additional DNA personnel using the NIJ grant funds. Those personnel were trained to screen evidence and to prepare samples for DNA testing; some were further trained in DNA analysis. TXDPS will continue to employ those 12 personnel using grant funds, and use them to process DNA cases.

Objective C: TXDPS will pay overtime to as many as 70 of its permanent staff of 85 forensic scientist to process DNA evidence and issue lab reports.

Goal 2: Database Laboratory

Objective A: The 12 DNA Analysts in the Database Laboratory in Austin will work overtime to process offender samples.

Goal 3: Capacity Improvements

Objective A: Purchase equipment for Forensic DNA casework laboratories.

Objective B: Obtain continuing education training for forensic scientists assigned to casework and database DNA labs.

Analysis of Program Performance

In order to determine if the TXDPS claims of program success were valid, we verified the data submitted in progress report No. 2, for the period of January 2013 through June 2013 against the support maintained by the TXDPS. We noted an immaterial error in the manual totaling of processed profiles which lead to the overstatement, by two profiles of the number of profiles entered into CODIS.

According to TXDPS officials, they have worked with the LIMS Manager to automate the compilation of the data. Given the fact that the error was immaterial and the TXDPS had taken steps to remedy the problem, we make no recommendation regarding the immaterial error.

Grant Requirements

We reviewed the TXDPS's compliance with additional grant requirements, such as the grants' special conditions and found that the grant contained typical standard language requirements for adherence to laws, regulations and other guidelines. We found that the TXDPS has ensured that all forensic DNA analyses conducted with funding under this grant has been performed by an accredited government owned laboratory. Also, the TXDPS does not charge a fee for DNA testing services.

Conclusion

The purpose of this audit was to determine whether reimbursements claimed for costs under grant No. 2012-DN-BX-0047 were allowable, supported, and in accordance with applicable laws, regulations, guidelines, terms and conditions of the grant, and to determine program performance and accomplishments. We reviewed the internal control environment, drawdowns, grant expenditures, budget management and control, financial and progress reporting, program performance and accomplishments, and grant requirements. We found 3 expenses that were not in the approved budget, resulting in \$11,733 in questioned costs. A listing of the questioned costs can be found in the Schedule of Dollar-Related Findings in Appendix II of this report.

Based on the above finding, we question a total of \$11,733 and make one recommendation.

Recommendation

We recommend that OJP:

1. Remedy the \$11,733 in unapproved expenses charged to the grant No. 2012-DN-BX-0047.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of our 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) property management, and (8) special grant requirements.

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.

Our audit scope covered Grant No. 2012-DN-BX-0047, which awarded \$3,234,426 in funding to the TXDPS. Our audit concentrated on, but was not limited to, the grant period start date on October 1, 2012 through January 2014, when the most recent FFR was submitted. TXDPS had drawn down \$1,559,420 as of October 24, 2013.

We tested the TXDPS's 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 grant documents, Code of Federal Regulations, and Office of Management and Budget (OMB) Circulars. 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 grant.
- **Drawdowns** - to determine whether drawdowns were adequately supported and if the TXDPS was expending drawdowns timely.
- **Expenditures** - to determine the accuracy and allowability of costs charged to the grant, including accountable property, payroll expenditures, fringe benefit expenditures, and indirect costs.
- **Budget Management and Control** - to determine whether there were deviations between the amounts budgeted and the actual costs for each category.
- **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.

- **Program Performance and Accomplishments** - to determine whether the TXDPS met the grant objectives.
- **Grant Requirements** - to determine whether TXDPS complied with grant guidelines and special conditions.

In conducting our audit, we reviewed the internal controls of the TXDPS's financial management system specific to the management of DOJ grant funds during the grant period under review. However, we did not test the reliability of the financial management system as a whole. We also performed limited tests of source documents to assess the accuracy and completeness of reimbursement requests.

In our limited testing, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the agreement reviewed, such as dollar amounts or expenditure category. We selected a judgmental sample of 50 transactions from a universe of 828; 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 submitted financial and progress reports.

SCHEDULE OF DOLLAR-RELATED FINDINGS

Description	Amount	Page
Questioned Costs³		
Unallowable Expenditures	\$ 11,733	6
<i>Total:</i>	\$ 11,733	
<hr/>		
NET QUESTIONED COSTS	\$11,733	
TOTAL NET DOLLAR RELATED FINDINGS	\$11,733	

³ **Questioned Costs** are expenditures that do not comply with legal, regulatory or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

THE TEXAS DEPARTMENT OF PUBLIC SAFETY'S
RESPONSE TO THE DRAFT REPORT⁴

TEXAS DEPARTMENT OF PUBLIC SAFETY

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April 30, 2014

David M. Sheeran
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
1120 Lincoln St., Suite 1500
Denver, Colorado 80203
David.M.Sheeran@usdoj.gov

Dear Mr. Sheeran:

Thank you for the opportunity to review and respond to the draft audit report titled "Audit of the Justice programs DNA Backlog Reduction Program Grant Awarded to the Texas Department of Public Safety, Austin, Texas." In response to the finding, we have prepared the following response:

The Department of Public Safety (DPS) has no disagreement with the findings and recommendations in this report. Regarding the recommendation to "remedy the \$11,733 in unapproved expenses charged to the grant No. 2012-DN-BX-0047," DPS personnel have already completed the necessary financial transactions to remove the three expenses from this grant. See the attached documents which support that the three expenses have been moved from the grant, 90016, to a state index, 78011.

Thank you for the professionalism of your staff in providing this audit.

Sincerely,

Steven C. McCraw
Director

Attachments

cc: Linda Taylor
Linda.Taylor2@usdoj.gov

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⁴ Attachments to the TXDPS's response were not included in this final report.

THE 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

May 8, 2014

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

FROM: */s/*
LeToya A. Johnson
Acting Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, DNA Backlog Reduction Program Grant Awarded to the Texas Department of Public Safety, Austin, Texas*

This memorandum is in reference to your correspondence, dated April 10, 2014, transmitting the above-referenced draft audit report for the Texas Department of Public Safety (TXDPS). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **one** recommendation and **\$11,733** in questioned costs. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendation. For ease of review, the recommendation is restated in bold and is followed by our response.

1. We recommend that OJP remedy the \$11,733 in unapproved expenses charged to grant number 2012-DN-BX-0047.

OJP agrees with the recommendation. However, in its April 30, 2014 response to the draft audit report, TXDPS stated that the costs were removed from grant number 2012-DN-BX-0047. Additionally, TXDPS provided a copy of the adjusting journal entry and the revised general ledger report, to support that the costs were properly removed from the grant. We believe this documentation is sufficient to address the recommendation. Therefore, OJP requests closure of the recommendation.

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.

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

The OIG provided a draft of this audit report to the Texas Department of Public Safety, Austin (TXDPS) and the Office of Justice Programs (OJP). The TXDPS's response is incorporated in Appendix II of this final report, and OJP's response is included as Appendix IV.

1. **CLOSED.** OJP agreed with our recommendation to remedy the \$11,733 in unapproved expenses charged to grant number 2012-DN-BX-0047. In its response to the draft audit report, TXDPS stated that the costs were removed from the grant account and provided a copy of the adjusting journal entry and the revised general ledger report, to support that the costs were properly removed. This recommendation is closed based on our review of the documentation provided.