



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



**Audit of the Office of
Community Oriented Policing
Services Hiring Recovery
Program Grant Awarded to the
Honolulu Police Department
Honolulu, Hawaii**

**AUDIT OF THE
OFFICE OF COMMUNITY ORIENTED POLICING SERVICES
HIRING RECOVERY PROGRAM GRANT AWARDED TO THE
HONOLULU POLICE DEPARTMENT
HONOLULU, HAWAII**

EXECUTIVE SUMMARY

The U.S. Department of Justice Office of the Inspector General, Audit Division, has completed an audit of a \$5,197,353 Office of Community Oriented Policing Services, Hiring Recovery Program grant awarded to the Honolulu, Hawaii, Police Department (Honolulu PD). The purpose of grant 2009-RJ-WX-0040 was for the Honolulu PD to hire 21 police officers.¹ The 3-year CHRP grant was awarded to the Honolulu PD on July 1, 2009, and with extensions ended on May 31, 2015.

The objective of the audit was to determine whether costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grant. We also assessed the Honolulu PD's program performance in meeting grant objectives and overall accomplishments.

We determined that the Honolulu PD generally complied with the essential grant requirements in the areas we tested, and all tested expenditures were found to be allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grant.

These items are discussed in further detail in the Findings and Recommendations section of the report. The audit objective, scope, and methodology appear in Appendix 1. We discussed the results of our audit with Honolulu PD officials and have included their comments in the report, as applicable. In addition, we requested from the Honolulu PD and COPS written responses to a draft copy of our audit report. We received those responses and they are found in Appendices 2 and 3, respectively.

¹ A Grant Adjustment Notice (GAN) dated October 25, 2013, extended the grant end date to May 31, 2015. The Honolulu PD expended all funding on March 24, 2014.

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HONOLULU, HAWAII**

INTRODUCTION

The U.S. Department of Justice Office of the Inspector General (OIG), Audit Division, has completed an audit of the Office of Community Oriented Policing Services (COPS) Hiring Recovery Program (CHRP) grant, 2009-RJ-WX-0040, awarded to the Honolulu Police Department (Honolulu PD), Honolulu, Hawaii. The grant in the amount of \$5,197,353 was used by the Honolulu PD to hire 21 police officers.

**Table 1
CHRP Grant Awarded to the Honolulu Police Department**

Award Number	Award Start Date	Award End Date²	Award Amount
2009-RJ-WX-0040	July 1, 2009	May 31, 2015	\$5,197,353

Source: COPS.

The objective of the audit was to determine whether costs claimed under the grant were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grant. We also assessed the Honolulu PD's program performance in meeting grant objectives and overall accomplishments.

Office of Community Oriented Policing Services

Within the Department of Justice, the Office of COPS assists law enforcement agencies in enhancing public safety through the implementation of community policing strategies in jurisdictions of all sizes across the country. COPS provides funding to state, local, and tribal law enforcement agencies and other public and private entities to hire and train community policing professionals, acquire and deploy cutting-edge crime-fighting technologies, and develop and test innovative policing strategies.

American Recovery and Reinvestment Act

On February 17, 2009, the President signed into law the American Recovery and Reinvestment Act of 2009 (Recovery Act). The purposes of the Recovery Act were to: (1) preserve and create jobs and promote economic recovery; (2) assist those most impacted by the recession; (3) provide investments needed to increase economic efficiency by spurring technological advances in science and health;

² The Award End Date includes all time extensions that were approved by COPS.

(4) invest in transportation, environmental protection, and other infrastructure that will provide long term economic benefits; and (5) stabilize state and local government budgets in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

The Recovery Act provided approximately \$4 billion to the Department of Justice in grant funding to be used to enhance state, local, and tribal law enforcement efforts. Of these funds, \$1 billion was provided to the COPS Office for grants to state, local, and tribal governments to hire or retain police officers.

COPS Hiring Recovery Program

To distribute the Recovery Act money, COPS established the COPS CHRP, a grant program for the hiring, rehiring, and retention of career law enforcement officers. COPS created CHRP to provide 100 percent of the funding for approved entry-level salaries and benefits (for 3 years) for newly-hired, full-time sworn officer positions, for rehired officers who had been laid off, or for officers who were scheduled to be laid off on a future date. COPS received 7,272 applications requesting funding for approximately 39,000 officer positions. On July 28, 2009, COPS announced its selection of 1,046 law enforcement agencies as recipients of the \$1 billion CHRP funding to hire, rehire, and retain 4,699 officers. The grants were competitively awarded based on data submitted by each applicant related to fiscal and economic conditions, rates of crime, and community policing activities.

City and County of Honolulu, Hawaii

The Honolulu PD is the principal law enforcement agency of the City and County of Honolulu, Hawaii. The City and County of Honolulu is a consolidated city-county and includes the city of Honolulu, the island of O'ahu, and several minor outlying islands. The island of O'ahu is located in the Pacific Ocean, approximately 2,400 miles southwest of San Francisco, California and includes 73 percent of the state's total population of about 1.36 million. Located on the island of O'ahu, the city of Honolulu is the capital of the state of Hawaii and according to the 2010 U.S. Census, had a population of 337,256 – Hawaii's most populous city. The Honolulu PD patrols the entire island of O'ahu and at the time of the grant application in fiscal year (FY) 2009, it had a budget of over \$210 million and a budgeted sworn police force of 2,143 officers.

OIG Audit Approach

We tested the Honolulu PD's compliance with what we considered to be the most important conditions of the CHRP grant. Unless otherwise stated in our report, we applied the 2009 CHRP Grant Owner's Manual (Grant Owner's Manual) as our primary criteria during our audit. The Grant Owner's Manual serves as a reference to assist grantee agencies with the administrative and financial matters associated with the grant. It was developed by COPS to ensure that all CHRP grantees understand and meet the requirements of the grant. We also considered applicable Office of Management and Budget (OMB) and

Code of Federal Regulations (CFR) criteria in performing our audit. Specifically, we tested the Honolulu PD's:

- **Application Statistics** – to assess the accuracy of key statistical data that the grantee submitted with its CHRP application.
- **Internal Control Environment** – to determine whether the financial and accounting system and related internal controls were adequate to safeguard grant funds and ensure compliance with the terms and conditions of the grant.
- **Expenditures** – to determine whether the salary and fringe benefit expenditures charged to the grant were allowable, supported, and accurate.
- **Drawdowns** – to determine whether requests for reimbursements or advances, were adequately supported and if the Honolulu PD managed grant receipts in accordance with federal requirements.
- **Budget Management and Control** – to determine whether Honolulu PD adhered to the COPS-approved budget for the expenditure of grant funds.
- **Reporting** – to determine whether the required Federal Financial Reports (FFRs), Progress Reports, and Recovery Act Reports were submitted on time and accurately reflected grant activity.
- **Additional Award Requirements** – to determine whether the Honolulu PD complied with the terms and conditions specified in the grant award document.
- **Program Performance and Accomplishments** – to determine whether the Honolulu PD achieved grant objectives and to assess performance and grant accomplishments.
- **Retention Plan** – to determine whether the Honolulu PD had a retention plan and retained CHRP grant funded officers at the conclusion of the grant.
- **Post Grant End Date Activity** – to determine whether the Honolulu PD had filed final reports.

The results of our audit are discussed in detail in the Findings and Recommendation section of this report. The audit objective, scope and methodology are discussed in Appendix 1. We discussed the results of our audit with Honolulu PD officials and have included their comments in the report, as applicable. In addition, we requested from the Honolulu PD and COPS written responses to a draft copy of our audit report. We received those responses and they are found in Appendices 2 and 3, respectively.

FINDINGS AND RECOMMENDATIONS

We determined that the Honolulu PD generally complied with the essential grant requirements in the areas we tested. We found that all tested expenditures were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grant.

Application Statistics

To select CHRP grantees, COPS developed a methodology that scored and ranked applicants based on data related to their fiscal and economic conditions, rates of crime, and community policing activities. In general, the applicants experiencing more fiscal and economic distress, exhibiting higher crime rates, and demonstrating well-established community policing plans received higher scores and were more likely to receive a grant. While COPS performed some limited data validity checks, COPS relied heavily on the accuracy of the data submitted by grant applicants. In the CHRP Application Guide, COPS reminded applicant agencies to provide accurate agency information as this information may be used, along with other data collected, to determine funding eligibility. In our May 2010 report of the COPS grant selection process, we found that the validation process COPS used to ensure the accuracy of the crime data submitted by applicants was inadequate.³ As a result, some agencies may have received grant funds based on inaccurate applications. However, we were unable to determine the number of applications that included inaccurate data.

During this audit, we obtained documentation from the Honolulu PD to support the information it submitted to COPS as part of the application for the 2009 CHRP grant. Based on our review of the documentation and interviews with Honolulu PD officials, we determined that the information and statistical data reported on the CHRP application was complete and accurate.

Internal Control Environment

According to the Grant Owner's Manual, award recipients are responsible for establishing and maintaining an adequate system of accounting and internal controls. An acceptable internal control system provides cost controls to ensure optimal use of funds. Award recipients must adequately safeguard funds and assure they are used solely for authorized purposes.

The Honolulu PD utilized the City and County of Honolulu's Enterprise Resource Planning System (C2Herps), a comprehensive system that includes modules related to budgeting, payroll, finances, human resources, and employee service. The Honolulu PD's utilization of the C2Herps' payroll and financial modules provided for access, authorization, and other internal controls over its expenditure

³ U.S. Department of Justice Office of the Inspector General, *A Review of the Selection Process for the COPS Hiring Recovery Program*, Audit Report 10-25, (May 2010).

and accounting of COPS CHRP grant funds. We noted no internal control deficiencies in this area.

We reviewed the organization's risk of non-compliance with laws, regulations, guidelines, and the terms and conditions of the grant and found no instances of non-compliance. We also interviewed management staff from the organization and performed payroll and fringe benefit testing and found that the Honolulu PD stayed within approved budget categories and amounts.

While our audit did not assess the Honolulu PD's overall system of internal controls, we reviewed the Honolulu PD's internal controls over its financial management system specific to the administration of grant funds during the period under review. The Honolulu PD maintained internal controls to ensure grant funds were used to hire 21 police officers and provide community oriented policing in accordance with all applicable laws, regulations, guidelines, and as authorized in the terms and conditions of the grant. We also determined that the Honolulu PD separately tracked CHRP grant funding and expenditures from other sources of funding, using a unique account code within its general ledger, as required by COPS.

Single Audit

According to the OMB Circular A-133, non-federal entities that expend \$500,000 or more in federal awards in a year shall have a single audit conducted. As such, we determined that the City and County of Honolulu, which includes the Honolulu PD, was required to have a single audit conducted. We obtained the FY 2014 Single Audit Report for the year ending June 30, 2014, issued in February 2015. We reviewed the independent auditor's assessment to identify control weaknesses and significant noncompliance issues related to the City and County of Honolulu or the federal programs it was administering, and we assessed the risks that those findings had on our audit. The single audit included a non-compliance finding that was a material weakness related to required reports not being submitted in a timely manner. We noted two similar, though minor, discrepancies in the Reporting section of this report.

Expenditures

The original grant award period was from July 1, 2009, through June 30, 2012. However, COPS approved extensions through May 31, 2015. As of March 24, 2014, the Honolulu PD had expended the entire grant award of \$5,197,353, which was all spent on the salaries and fringe benefits of the 21 police officer positions hired under the grant. The Honolulu PD based the salary and fringe benefits of its grant funded officers on an entry-level schedule as required by the CHRP grant application and award documentation. Through the grant award documentation COPS approved the following fringe benefits to be covered under this grant: (1) health insurance, (2) Medicare, (3) life insurance, (4) vacation, (5) sick leave, (6) retirement, (7) worker's compensation, (8) unemployment insurance, (9) holiday pay, and (10) disability insurance.

In its grant application, the Honolulu PD calculated the fringe benefit amounts as a percentage of an officer's salary. To determine whether salaries and fringe benefits were properly charged to the grant in accordance with the grant budget, we judgmentally selected and tested two non-consecutive semi-monthly pay periods ending October 15, 2010, and June 30, 2012. For our salary testing, we traced the salary costs for a judgmental sample of 10 of the 21 officers in each pay period to timekeeping and payroll documentation and we verified that \$44,390 in salary charges were computed correctly, properly authorized, and accurately recorded. Further, for our fringe benefit testing, we verified that \$52,726 in fringe benefit cost elements for all grant-funded officers in each pay period tested were charged to the grant in accordance with the approved grant budget.

Drawdowns

COPS requires grantees to minimize the cash maintained on hand by requesting funds based on immediate cash disbursement needs. Even though advances are allowed, funds must be used within 10 days of an electronic transfer. As of March 2014, the Honolulu PD had drawn down the grant funds in their entirety (\$5,197,353).

To determine if drawdowns were requested in advance or on a reimbursement basis, we interviewed grant officials and compared draw down amounts to the Honolulu PD's grant-related accounting records. Based on our discussions with grant officials and the documentation reviewed, we determined that grant drawdowns were requested on a reimbursement basis. We also found that the Honolulu PD's drawdown process was adequate in minimizing the time lapse between the drawdown of funds and disbursement of those funds. As a result, we determined that the Honolulu PD's drawdown procedures were sufficient and complied with grant requirements.

Budget Management and Control

According to the 28 C.F.R. § 66.30, grantees are permitted to make changes to their approved budgets to meet unanticipated program requirements. However, the movement of funds between approved budget categories in excess of 10 percent of the total award must be approved in advance by the awarding agency. The following table summarizes the budget for this grant by category.

Table 2
COPS Approved Budget Amounts

Category	Actual Amount	Budget Amount
Salary	\$3,265,171	\$3,263,232
Fringe Benefits	\$1,932,182	\$1,934,121
TOTAL	\$5,197,353	\$5,197,353

Source: COPS approved budget.

We compared the budgeted salary and fringe benefit amounts to the actual expenditures found in the City and County of Honolulu's accounting system. We found that the Honolulu PD remained within the approved budget allowance for each expense category for the grant.

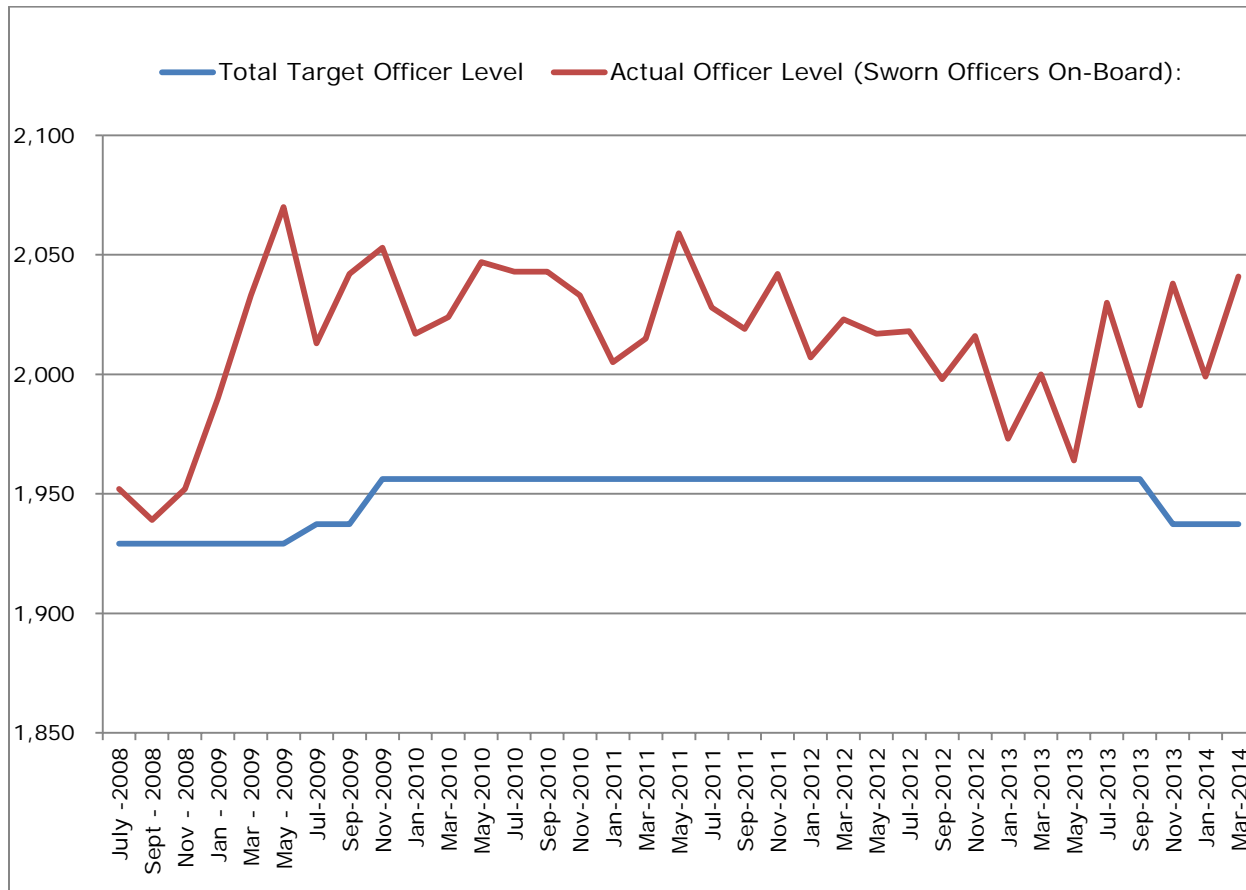
In addition, the Grant Owner's Manual states that grantees must ensure that grant funds supplement and do not supplant local funds. Specifically, the manual states:

. . . grant recipients may not reduce their locally-funded number of sworn officer positions during the three-year CHRP grant period as a direct result of receiving the CHRP funding to pay for additional officers. Reductions in locally-funded sworn officer positions that occur for reasons unrelated to the CHRP funding – such as city-wide budget cuts – do not violate the non-supplanting requirement, but recipients must maintain documentation demonstrating the date(s) and reason(s) for the budget cuts to prove that they were unrelated to the receipt of CHRP grant funding in the event of an audit, monitoring site visit, or other form of grant compliance review. . . .

To determine if the Honolulu PD utilized grant funds to supplement, as opposed to supplant, existing local funds for program activities, we reviewed its budgeted sworn positions for the years 2008 through 2014. We found a minor increase in the budgeted number starting at 2,134 in 2008 and increasing to 2,143 between 2009 and 2014. The 21 grant funded officer positions were incorporated into the Honolulu PD budget in October 2009 and remained part of the Honolulu PD's budget throughout the life of the grant and through the 12-month retention period. The resulting headcount numbers were considered the baseline. The baseline number was reduced by the vacancy rate of 9.6 percent and the resulting number was used as the Total Target Officer Level.⁴ Next, we identified the Honolulu PD's actual sworn officer headcount (or Actual Officer Level as shown in Figure 1) from July of 2008 through March of 2014. Lastly, we compared the Total Target Officer Level to the Actual Officer Level (headcount) and found that the headcount consistently exceeded the Total Target Officer Level. As illustrated in Figure 1, we found no indication that the Honolulu PD used federal funds to supplant existing funds.

⁴ The 9.6 percent was the actual vacancy rate for calendar year 2008.

Figure 1
Honolulu Police Department
Target and Actual Sworn Law Enforcement on Board
July 2008 to March 2014



Source: OIG analysis of Honolulu PD data.

The 3-year CHRP grant that was awarded to the Honolulu PD began on July 1, 2009. At the request of the Honolulu PD, COPS first extended the grant period through December 31, 2013, and then again through May 31, 2015. According to Honolulu PD grant officials, the extensions were necessary because of delays that the Honolulu PD experienced with bringing on board police officers through its police academies. Attrition was another reason for Honolulu PD to request the two extensions. As a result of the extensions, the grant period increased from 3 years to nearly 6 years. Within this time period, the Honolulu PD maintained a total of 21 officers for a minimum of 36 months plus 12 months retention, thereby fulfilling the 36-month requirement in January 2014 and the 12-month retention in February 2015.

Reporting

According to the Grant Owner's Manual, award recipients are required to submit both quarterly FFR and quarterly Progress Reports. Additionally, because this was a Recovery Act grant, Honolulu PD was also required to submit quarterly Recovery Act reports. We reviewed the FFRs, Progress Reports, and quarterly Recovery Act reports, submitted by the Honolulu PD, to determine whether each report was accurate and submitted in a timely manner.

Federal Financial Reports

COPS relies on grantees' FFRs in order to monitor certain aspects of CHRP grants. According to the Grant Owner's Manual, FFRs should be submitted within 30 days of the end of each quarter throughout the grant period. Grantees are required to submit FFRs even for periods when there have been no program outlays. COPS may withhold funds or future awards if reports are not submitted or are excessively late.

We reviewed the four most recent FFRs for accuracy and timeliness. To determine whether the FFRs were accurate, we compared the expenditures reported on the FFRs to grant accounting information and found that each of the four reports we reviewed were accurate. In addition, we reviewed the FFRs to determine whether they were submitted on time. We found that the Honolulu PD submitted its last four FFRs to COPS in a timely manner.

Progress Reports

Progress Reports provide information to COPS regarding a grantee's performance in accomplishing grant objectives as set forth in the approved award application. According to the Grant Owner's Manual, Progress Reports must be submitted quarterly, within 30 days after the end of the reporting periods for the life of the grant.

We reviewed the last 12 Progress Reports that the Honolulu PD submitted to COPS between October 1, 2011, and September 30, 2014, to determine if the reports were submitted timely. We found that 11 of the 12 Progress Reports were submitted on time, while 1 Progress Report was submitted 10 days late. We asked a grant official for an explanation, but did not receive one. However, because all other reports were timely, we considered this discrepancy to be an anomaly; and therefore, we do not make a formal recommendation. We do encourage the Honolulu PD to ensure it submits all future Progress Reports in a timely manner.

We also reviewed the accuracy of the quarterly Progress Reports submitted to COPS for the last four quarterly periods of coverage, ending September 30, 2014. Based on our review, we determined that the information contained in these reports was consistent with financial and other documents related to the grant.

Recovery Act Reports

In addition to standard reporting requirements, grantees receiving Recovery Act funding must submit quarterly reports which require both financial and programmatic data. The Recovery Act requires recipients to submit their reporting data through FederalReporting.gov, an online web portal that collects all reports. Recipients must enter data no later than 10 days after the close of each quarter beginning September 30, 2009.

We reviewed the timeliness of nine quarterly Recovery Act Reports that were submitted for the periods beginning October 1, 2011, and ending December 31, 2013. As a result, we found that the Honolulu PD submitted one of the nine reports 1 day late, while the other 8 reports were submitted in a timely manner. We consider this a minor deficiency and an anomaly as the eight most recent reports were submitted in a timely manner.

We also reviewed quarterly Recovery Act Reports for the last nine quarters of coverage, ending December 31, 2013, in order to determine whether the information submitted was accurate. Although, we found that the Honolulu PD inaccurately summarized FTE data in one of the nine Recovery Act Reports, we determined that the discrepancy to be minor and immaterial in nature. Therefore, we consider the quarterly Recovery Act Reports to be generally accurate.

Overall, the Honolulu PD generally submitted accurate financial, programmatic, and Recovery Act reports in a timely manner. However, we found one Progress Report that was submitted 10-days late and one Recovery Act Report that had inaccurate data. We consider these discrepancies to be anomalies and therefore we do not make recommendations for systemic improvements.

Additional Award Requirements

Award special conditions are included in the terms and conditions for a grant award and are provided in the accompanying award documentation. Special conditions may also include special provisions unique to the award. Honolulu PD's CHRP grant included sixteen special conditions. We judgmentally selected 4 of the 16 special conditions for review pertaining to the following areas: (1) grant extensions, (2) grant modifications, (3) grant monitoring requests, and (4) the requirement for grant-funded officers to only work for the grantee. We determined that the Honolulu PD was in compliance with the special conditions we reviewed.

Program Performance and Accomplishments

According to the COPS CHRP Application Guide, the objectives of the CHRP grants were to: (1) increase the capacity of law enforcement agencies to implement community policing strategies that strengthen partnerships for safer communities and enhance law enforcement's capacity to prevent, solve, and control crime through funding additional officers, and (2) create and preserve law enforcement officer jobs.

All CHRP grants attempted to increase grantee capacity to implement community policing strategies within the three primary elements of community policing: (1) problem solving; (2) partnerships; and (3) organizational transformation. The COPS Office requires all CHRP grantees to describe how hiring additional officers will assist in implementing community policing strategies. As part of the quarterly progress report, CHRP grantees are required to report on their progress toward implementing community policing strategies.

The Honolulu PD's community policing plan, which included an integrated community policing strategy to expand and enhance its current efforts, centered around the development and implementation of a Community Policing Resource Center (CPRC) with the start of the grant in July 2009. According to the Honolulu PD, the CPRC serves as a clearinghouse for the department's community policing activities. It provides the necessary infrastructure to centralize and coordinate community policing resources, experience, and knowledge to meet the crime prevention and public safety needs of an extremely diverse and growing community. Honolulu PD's community policing initiative involved utilizing the CPRC and dedicated community policing teams from each patrol district in order to pool resources, contacts, programs, people, and personnel and provide them with a vehicle to share information, learn new methods, generate new strategies, and implement new programs.

Activity reports produced by the CPRC summarized the activities of the community policing teams that were deployed to each of the Honolulu PD patrol districts. Also, the CPRC activity reports documented the Honolulu PD's implementation of its community policing plan. Using forms created by the CPRC, community policing activities were regularly reported by each officer assigned to a community policing team.

Based on our review of progress reports, CPRC activity reports, and interviews with grant funded Honolulu PD officers, we determined that the Honolulu PD was meeting the community policing objectives of the grant.

Retention Plan

According to the terms and conditions of the CHRP grant, the Honolulu PD was required to retain all CHRP funded officer positions for a minimum of 12 months after the conclusion of the 36 months of federal funding.

As we stated in the Budget Management and Control section of this report, the 3-year CHRP grant awarded to the Honolulu PD began on July 1, 2009. At the request of the Honolulu PD, COPS extended the grant period once through December 31, 2013, and again through May 31, 2015. According to grant officials, the extensions were needed first due to delays in conducting police academies and then due to attrition among the grant funded officers.

Based on our review of the Honolulu PD's employment records and other documents, we determined that the Honolulu PD fulfilled COPS' requirement by

maintaining on board officers for its 21 grant funded positions for at least a total of 36 months which concluded in January 2014. In addition, the Honolulu PD retained officers for its 21 grant funded positions for an additional 12 months which ended in February 2015.

Post Grant End Date Activity

As previously noted in the report, the start date for this CHRP grant was July 1, 2009, and its original end date was June 30, 2012. The Honolulu PD requested and received extensions from the COPS office through May 31, 2015. However, by March 2014, the Honolulu PD had expended all grant funds and on April 3, 2014, filed its final FFR for the first quarter of 2014 as required. Additionally, the Honolulu PD subsequently filed its Recovery Act Report and Progress Report in accordance with grant requirements.

Conclusion

In review of the COPS CHRP grant awarded to the Honolulu PD, we found that the Honolulu PD generally complied with essential grant requirements in the areas we tested and all of the expenditures that we tested were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grant.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of the audit was to determine whether reimbursements claimed for costs under grant 2009-RJ-WX-0040 were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grant. We also assessed grantee program performance in meeting grant objectives and overall accomplishments. We reviewed activities in the following areas: (1) application statistics, (2) internal control environment, (3) personnel and fringe benefit expenditures, (4) drawdowns, (5) budget management and control, (6) reporting, (7) compliance with grant requirements, and (8) program performance and accomplishments. We determined that indirect costs and matching funds were not applicable to this grant.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provided a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit covered, but was not limited to, activities that occurred between the start of COPS Hiring Recovery Program grant 2009-RJ-WX-0040 on July 1, 2009, through the end of our data analysis in April of 2015. Further, we tested compliance with what we considered to be the most important conditions of the grant. Unless otherwise stated in our report, the criteria we audited against are contained in the 2009 COPS Hiring Recovery Program Grant Owner's Manual and grant award documents.

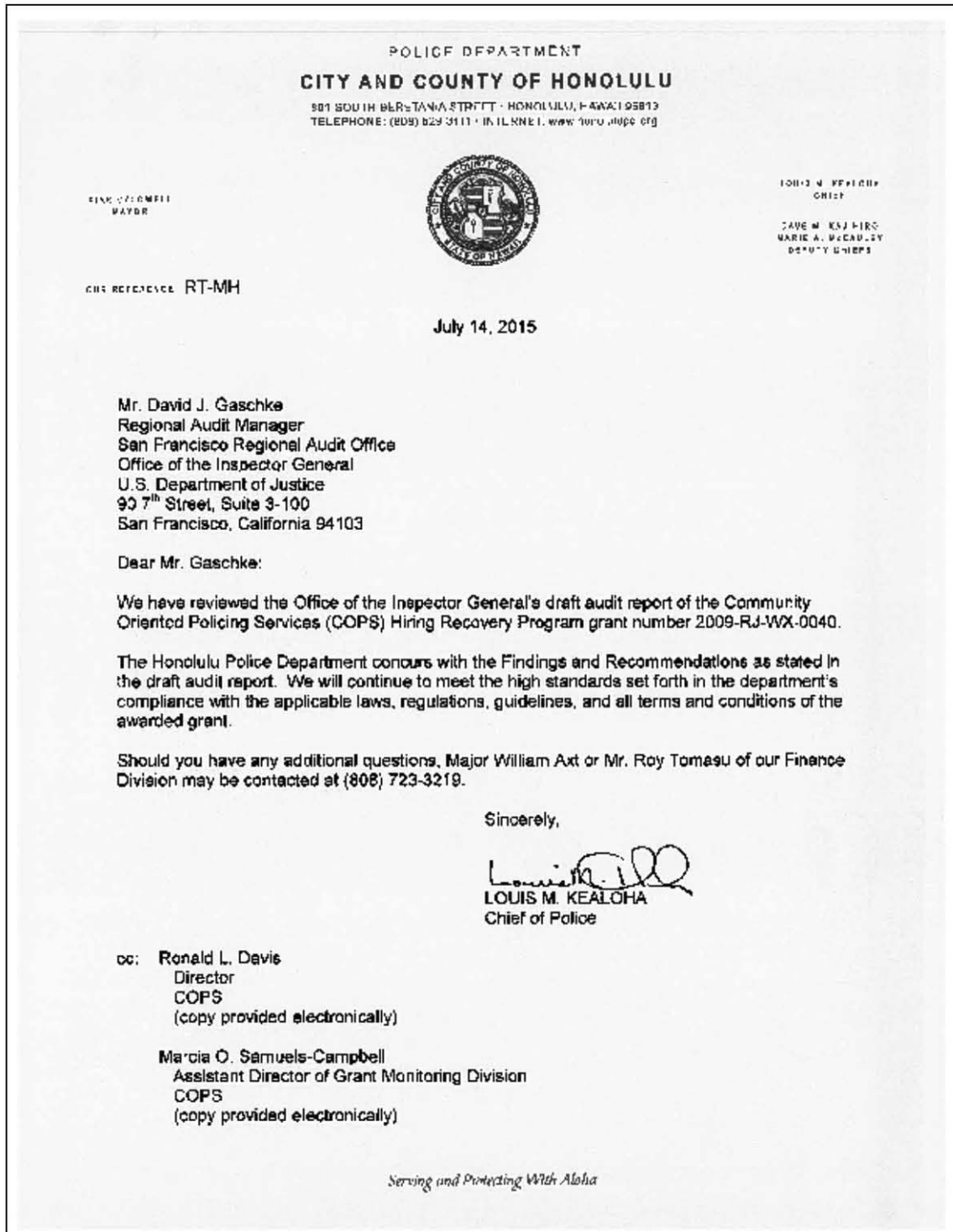
We did not test internal controls for the City and County of Honolulu taken as a whole or specifically for the grant program administered by the Honolulu PD. An independent Certified Public Accountant conducted an audit of Honolulu's financial statements. The results of this audit were reported in the Single Audit Report that accompanied the Independent Auditors' Report for the year ending June 30, 2014. The Single Audit Report was prepared under the provisions of OMB Circular A-133. We reviewed the independent auditor's assessment to identify control weaknesses and significant noncompliance issues related to the City and County of Honolulu or the federal programs it was administering, and we assessed the risks that those findings had on our audit.

In conducting our audit, we performed sample-based testing in four areas: payroll and fringe benefit charges, Progress Reports, Financial Reports, and Recovery Act Reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grant reviewed, such as unique payroll and fringe benefits adjustments throughout the year. This non-statistical

sample design did not allow projection of the test results to the universe from which the samples were selected.

In addition, we reviewed the timeliness and accuracy of Federal Financial Reports, Progress Reports, and Recovery Act Reports, and evaluated performance of grant objectives. However, we did not test the reliability of Honolulu PD's financial management system as a whole. We tested the reliability of the information in the accounting system during the payroll verification testing. We traced a sample of the information in the accounting system to supporting documentation and found the information to be reliable.

AUDITEE RESPONSE



U.S. DEPARTMENT OF JUSTICE RESPONSE



U.S. DEPARTMENT OF JUSTICE
OFFICE OF COMMUNITY ORIENTED POLICING SERVICES
Grant Operations Directorate/Grant Monitoring Division
145 N Street, N.E., Washington, DC 20530

COPS

MEMORANDUM

To: David J. Gaschke
Regional Audit Manager
San Francisco Regional Audit Office
U.S. Department of Justice Office of the Inspector General

From: Micaela Hart *MH*
Management Analyst
COPS Grant Monitoring Division – Audit Liaison Section

Date: July 9, 2015

Subject: Response to the Draft Audit Report for the Community Oriented Policing Services (COPS) Grant Awarded to the Honolulu Police Department, Honolulu, Hawaii

This memorandum is in response to your July 7, 2015 draft audit report on the COPS Hiring Recovery Program (CHRP) Grant Number 2009-RJ-WX-0040 awarded to the Honolulu Police Department (Honolulu PD). The COPS Office concurs with the OIG's determination that the Honolulu PD generally complied with the essential grant requirements in the areas tested.

If you have questions regarding our management action, please contact me at 202-514-1411 or micaela.hart@usdoj.gov.

cc: provided electronically

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ADVANCING PUBLIC SAFETY THROUGH COMMUNITY POLICING



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Grant File: 2009-RJ-WX-0040

Audit File

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ADVANCING PUBLIC SAFETY THROUGH COMMUNITY POLICING ★

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