



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



Audit of the Office of Community Oriented Policing Services Grants Awarded to Polk County, Florida

Audit Division GR-40-16-001

February 2016

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**AUDIT OF THE OFFICE OF COMMUNITY ORIENTED
POLICING SERVICES GRANTS
AWARDED TO POLK COUNTY, FLORIDA**

EXECUTIVE SUMMARY*

The U.S. Department of Justice, Office of the Inspector General (OIG) has completed an audit of the Office of Community Oriented Policing Services (COPS) Hiring Program and Methamphetamine Initiative grants awarded to Polk County, Florida. As shown in Table 1, the grants totaled \$3,125,000.

**Table 1
COPS Grants Awarded to Polk County**

GRANT	AWARD START DATE	AWARD END DATE ^a	AWARD AMOUNT
2010-CK-WX-0382 Methamphetamine Initiative	8/19/2010	12/15/2015	\$250,000
2012-UL-WX-0010 Hiring Program	6/01/2012	5/31/2016	\$1,875,000
2014-UL-WX-0008 Hiring Program	9/01/2014	8/31/2017	\$1,000,000
Total:			\$3,125,000

^a The project end date includes all award period extensions.

Source: COPS

The objective of this audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grants. To accomplish this objective, we assessed performance in the following areas of grant management: (1) internal control environment, (2) grant reports, (3) accountable property, (4) budget management and control, (5) drawdowns, (6) grant expenditures, and (7) program performance and accomplishments. The criteria we audited against are contained in the COPS Hiring Program Grant Owner’s Manual, Methamphetamine Initiative Grant Owner’s Manual, and the grant award documents.

We found that Polk County complied with the essential grant requirements in the areas that we tested and that all tested expenditures were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grants. Therefore, we make no recommendations.

We discuss our results in further detail in the Findings section of the report. Our audit objective, scope, and methodology are discussed in Appendix 1. We provided a draft of this audit report to the Office of Community Oriented Policing

* Redactions were made to the full version of this report for privacy reasons. The redactions are contained only in Appendix 2, the COPS Office response, and are of individuals’ names.

Services and Polk County. COPS' response is incorporated in Appendix 2.
Polk County declined to provide a response.

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**AUDIT OF THE OFFICE OF COMMUNITY ORIENTED
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INTRODUCTION

The U.S. Department of Justice, Office of the Inspector General (OIG) has completed an audit of the Office of Community Oriented Policing Services (COPS) Hiring Program and Methamphetamine Initiative grants awarded to Polk County, Florida.¹ As shown in Table 2, the grants totaled \$3,125,000.

**Table 2
COPS Grants Awarded to Polk County**

GRANT	AWARD START DATE	AWARD END DATE ^a	AWARD AMOUNT
2010-CK-WX-0382 Methamphetamine Initiative	8/19/2010	12/15/2015	\$250,000
2012-UL-WX-0010 Hiring Program	6/01/2012	5/31/2016	\$1,875,000
2014-UL-WX-0008 Hiring Program	9/01/2014	8/31/2017	\$1,000,000
Total:			\$3,125,000

^a The award end date includes all award period extensions.

Source: COPS

Hiring Program grants provide funding to law enforcement agencies to hire or rehire career law enforcement officers to advance public safety and increase community policing and crime prevention. Hiring Program grants provide up to 75 percent of approved entry-level salaries and fringe benefits of full-time officers for a 36-month grant period. The maximum federal share for salaries and benefits is \$125,000 per officer, and award recipients must provide at least a 25 percent local cash match. Award funds may be used to: (1) hire new officers, which includes filling existing officer vacancies that are no longer funded in an agency's budget; (2) rehire officers laid off as a result of budget cuts; or (3) rehire officers who were scheduled to be laid off on a specific future date. Polk County was approved by COPS to use award funds to rehire up to 15 deputies for the 2012 grant and hire 8 new deputies for the 2014 grant.²

Methamphetamine Initiative grants are intended to enable recipients to develop partnerships with community leaders, local fire departments, drug courts,

¹ While the audited grants were formally awarded to the general Polk County government, all of the audited funds were utilized by the Polk County Sheriff's Office and our audit results pertain to that office's administration of the grants.

² As of November 12, 2015, Polk County had only one drawdown in the amount of \$12,973 for Hiring Program Grant Number 2014-UL-WX-0008.

prosecutors, child protective services, treatment providers, and other entities to create a coordinated response to the proliferation of methamphetamine. The grants fund equipment, training, and personnel. Grant funds can also be used to improve intelligence-gathering capabilities, enforcement efforts, lab clean-up, training related to drug-endangered children, and the prosecution of those who engage in methamphetamine-related crimes. Polk County was approved by COPS to purchase equipment, supplies, training, and travel. The county was also approved for other costs to organize public presentations on the dangers of methamphetamine use, provide promotional and educational materials, and pay law enforcement overtime expenses.

Polk County

Polk County is located in the geographical center of the State of Florida. As of September 2014, the county had 623,174 residents within 2,000 total square miles. As of June 2015, Polk County Sheriff's Office employed 1,578 full-time employees, 256 part-time employees, and 1,000 volunteers.

OIG Audit Approach

The objective of this audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grants. To accomplish this objective, we assessed performance in the following areas of grant management: (1) internal control environment, (2) grant reports, (3) accountable property, (4) budget management and control, (5) drawdowns, (6) grant expenditures, and (7) program performance and accomplishments.

We tested compliance with what we consider to be the essential requirements of the grants. The criteria we audited against are contained in the COPS Hiring Program Grant Owner's Manual, Methamphetamine Initiative Grant Owner's Manual, and the award documents.

The results of our audit are discussed in further detail in the Findings section of the report. Our audit objective, scope, and methodology appear in Appendix 1.

FINDINGS

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

Internal Control Environment

The Grant Owner's Manual requires grant recipients to establish and maintain adequate accounting systems and financial records that accurately account for award funds. We interviewed Polk County officials about their internal controls and accounting policies and procedures related to grant management. We found the county had controls for procuring equipment, paying invoices, processing payroll, and accountable property. While our audit did not assess the county's overall system of internal controls, we did review the controls to the county's financial management system specific to the administration of grant funds. The county assigned a separate accounting code to track and segregate grant finances. We concluded that the county had adequate financial management controls over the administration of grant funds.

According to Office of Management and Budget Circular A-133, an entity expending more than \$500,000 in federal funds in 1 year is required to undergo a Single Audit annually, with the report due no later than 9 months after the end of the fiscal year. The county's fiscal year runs from October 1 through September 30. Polk County's federal expenditures totaled \$33,041,213 for fiscal year (FY) 2014, requiring the county to undergo a Single Audit. We reviewed Polk County's Single Audit Report for FY 2014 to identify any control weaknesses and significant non-compliance issues. We did not identify any deficiencies related to DOJ federal awards or grant funds.

Grant Reports

The Grant Owner's Manual requires grant recipients to submit quarterly Federal Financial Reports and Program Progress Reports. Federal Financial Reports should reflect actual cumulative federal award funds spent, unliquidated obligations incurred, and any unobligated federal funds. Program Progress Reports should provide the status of agency efforts to hire or rehire law enforcement officers and other community policing activities. Both reports must be submitted to COPS no later than 30 days after the end of each quarter; however, the final Federal Financial Report is due within 90 days after the end of the grant period.

To determine whether Polk County submitted accurate Federal Financial Reports, we tested the four most current reports for the methamphetamine and 2012 hiring grants by comparing reported expenditures to Polk County's accounting records. We found that the reports were accurate.

To determine whether Polk County submitted timely Federal Financial Reports, we tested the four most current reports from the 2012 hiring grant and the four most current reports from the methamphetamine grant by reviewing the date the reports were submitted to COPS. We found that the Federal Financial Reports were submitted timely.

To determine whether Polk County submitted timely Program Progress Reports, we tested nine reports from the 2012 hiring grant and eight reports from the methamphetamine grant by reviewing the date the reports were submitted to COPS. We found that the Progress Reports were submitted timely. Later in the report, we will discuss the status and progress of Polk County's accomplishment of grant objectives.

Accountable Property

The Grant Owner's Manual requires grant recipients to maintain property records of grant-funded equipment. Property records should include a description of the property, serial number or other identification, the source of the property, and other specified information. Additionally, equipment must be used for grant-related purposes and retained for the life of the grant.

Polk County was approved to purchase \$103,639 in equipment and supplies using the methamphetamine grant that included digital video cameras, global positioning system trackers, and computer hard drives. To determine whether Polk County maintained adequate property records and used its grant-funded equipment for grant-related purposes, we selected a sample of 22 equipment items that totaled \$32,668 (about 31 percent) of the total equipment and supplies charged to the methamphetamine grant. We found that the equipment was accurately recorded and properly tracked in the Polk County Sheriff's Office inventory records. We also physically-verified the equipment and determined the equipment was being used for grant-related purposes.

Budget Management and Control

Grant recipients must expend award funds on budget categories approved by COPS through the issuance of the Financial Clearance Memorandum. Federal regulations permit grant recipients to make changes to their approved budgets to meet unanticipated program requirements.³ Whenever the awarding agency's shares exceed \$100,000, 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. While the methamphetamine and 2012 hiring grants were still in progress at the time of our audit, Polk County appeared to remain within the approved budget allowance for each category for these grants. As of October 2015, we determined that the county did not transfer funds between direct cost

³ 28 C.F.R 66.30(c)

categories in excess of 10 percent of the award amount for the methamphetamine and 2012 hiring grants.

Drawdowns

The Grant Owner’s Manual provides that grant funds may be received in advance or on a reimbursement basis. Advances should be timed to ensure that federal cash on hand is the minimum needed for disbursements to be made immediately or within 10 days. The Polk County Grant Accountant told us that funds are drawn down quarterly on a reimbursement basis. Drawdowns were received by electronic transfer from the Grant Payment Request System and deposited in designated accounts within Polk County’s general fund. As of November 12, 2015, Polk County had only one drawdown in the amount of \$12,973 for the 2014 hiring grant. The drawdown amounts for all of the grants are shown in Table 3 below.

Table 3
Drawdowns

GRANT	DRAWDOWNS	GRANT BALANCE
2010-CK-WX-0382 Methamphetamine Initiative	\$224,776	\$25,224
2012-UL-WX-0010 Hiring Program	\$1,466,783	\$408,217
2014-UL-WX-0008 Hiring Program	\$12,973	\$987,027
Total:	\$1,704,532	\$1,420,468

Source: COPS

We tested the drawdowns by comparing the reimbursement requests to supporting documentation to determine if the drawdowns exceeded allowable costs. We did not test the single drawdown totaling \$12,973 for the 2014 hiring grant.⁴ We found that each drawdown was adequately supported and did not exceed allowable expenditures.

Grant Expenditures

Grant recipients must expend award funds on budget categories and costs approved by COPS. For the 2012 hiring grant, Polk County was approved to expend award funds on entry-level law enforcement officer salaries and related fringe benefits. For the methamphetamine grant, Polk County was approved to expend award funds on equipment, supplies, training, travel, and other costs. We reviewed Polk County’s award expenditures to determine if the expenditures were allowable and supported by appropriate documentation. For the methamphetamine and 2012 hiring grants, we tested a combined \$77,848 by comparing a sample of

⁴ We did not test this drawdown because it was made in November 2015, which was after our audit fieldwork.

expenditures to supporting documentation including payroll records, purchase orders, invoices, receipts, or other documentation.

For the 2012 hiring grant, we judgmentally selected and tested 7 of the 15 law enforcement officers rehired under the grant by comparing the labor charges that totaled \$22,453 to timesheets. We found that the charges were allowable and supported.

For the methamphetamine grant, we judgmentally selected and tested 5 of the 17 law enforcement officers that received overtime payments that totaled \$2,540 by comparing the payments to supporting documentation. We found that the charges were allowable and supported.

Additionally, we judgmentally selected and tested 12 equipment, supplies, training, and travel expenses that totaled \$52,855 by comparing the expenditure to invoices, receipts, and other supporting documentation. We found that the charges were allowable and supported.

Program Performance and Accomplishments

According to the Grant Owner's Manual, grant recipients must periodically report the status of hiring efforts and grant-related community policing activities. We reviewed Polk County's Progress Reports and other documents for the grants to determine its progress toward accomplishing the grant objectives.

For the 2012 hiring grant, Polk County received award funds to rehire up to 15 law enforcement officers. The county was also required to retain the rehired officers for 12 months after the end of the grant period. We reviewed the county's personnel records pertaining to the grant program, reviewed the Progress Report for the period ended December 31, 2014, and interviewed county officials about their grant performance. We found that Polk County had rehired 15 law enforcement officers from award funds and had a plan to retain the officers for 12 months after the end of the grant period.

For the 2014 hiring grant, Polk County received award funds to hire eight law enforcement officers and to retain the hired officers for 12 months after the end of the grant period. Polk County made its first drawdown in the amount of \$12,973 on November 12, 2015. Polk County officials told us that as of November 2015 they had added five of the eight law enforcement positions approved for the grant. We reviewed supporting documentation for these five positions and concluded that Polk County was making progress toward the grant objective.

For the methamphetamine grant, Polk County received award funds to organize public presentations on the dangers of methamphetamine use, conduct methamphetamine training, distribute methamphetamine educational materials, and fund law enforcement overtime related to these efforts. Polk County reported to COPS in its Progress Report for the period ended December 31, 2014, that it had partnered with local agencies to provide educational materials, purchase

equipment, and expend overtime funds to sheriff's deputies working on methamphetamine investigations. We verified this information by reviewing documentation provided by Polk County's Community Policing Deputy. The documentation included crime statistics recorded by the Sheriff's Office and records of community meetings attended by deputies. The Polk County Deputy also described how the new grant-funded equipment purchases had helped investigations and provided needed protection to dismantle methamphetamine labs. We concluded that Polk County provided accurate information regarding its accomplishment of grant objectives.

Conclusion

The objective of this audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions. We examined Polk County's internal control environment, grant reports, accountable property, budget management and control, drawdowns, grant expenditures, and program performance and accomplishments. We found that Polk County complied with the essential requirements of the grants in the areas we tested.

OBJECTIVE, SCOPE, AND METHODOLOGY

This was an audit of the Office of Community Oriented Policing Services Hiring Program Grant Number 2012-UL-WX-0010 and Methamphetamine Initiative Grant Number 2010-CK-WX-0382 awarded to Polk County, Florida. As of November 12, 2015, Polk County had only one drawdown in the amount of \$12,973 for Hiring Program Grant Number 2014-UL-WX-0008. Our audit concentrated on, but was not limited to, the time period from September 2010 to May 2015.

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

The objective of this audit was to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grants. To accomplish this objective, we assessed performance in the following areas of grant management: (1) internal control environment, (2) grant reports, (3) accountable property, (4) budget management and control, (5) drawdowns, (6) grant expenditures, and (7) program performance and accomplishments.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of Polk County's activities related to the grants. The criteria we audited against are contained in the COPS Hiring Program Grant Owner's Manual, Methamphetamine Initiative Grant Owner's Manual, and the grant award documents. In conducting our audit, we tested the following:

- **Internal Control Environment.** To determine whether Polk County's financial management procedures adequately safeguard grant funds and ensure compliance with grant conditions, we reviewed the county's Single Audit Report for FY 2014 to identify control weaknesses and significant non-compliance issues.

Our review of the county's financial management system was specific to the management of Department of Justice funds awarded during the audit period. We did not test the reliability of the financial management system as a whole. We reviewed grant-related procedures in place for drawdowns, budget management and control, grant reports, accountable property, and grant expenditures.

- **Federal Financial Reporting.** To determine whether the Federal Financial Reports submitted by Polk County accurately reflected grant activity, we

performed limited testing of the last four reports of the methamphetamine and 2012 hiring grants by comparing reported expenditures to the county's accounting records

- **Accountable Property.** To assess accountable property purchased with grant funds, we selected a sample of 22 items that totaled \$32,668 (about 31 percent) of the total equipment and supplies purchased and charged to the methamphetamine grant. We verified that the items were in the possession of the county and were listed in the electronic inventory system maintained by the Polk County Sheriff's Office.
- **Budget Management and Control.** To ensure Polk County was in compliance with Grant Owner's Manual requirements, we compared the Financial Clearance Memorandum for the methamphetamine and 2012 hiring grants to actual expenditures recorded in the county's accounting records.
- **Drawdowns.** To assess whether Polk County adequately supported grant drawdowns and managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records.
- **Grant Expenditures.** To determine the accuracy, support, and allowability of expenditures Polk County allocated or charged to the grants with respect to the applicable laws, regulations, guidelines, and terms and conditions of the grants, we judgmentally sampled and tested 12 transactions totaling \$52,855 listed in the accounting records for the methamphetamine grant. The accounting records included expenditures related to equipment, supplies, travel, and training.
- **Program Performance and Accomplishments.** To measure the extent of Polk County's accomplishment toward achieving its grant objectives and whether the county collected data and developed performance measures necessary to assess the accomplishment of its objectives for the grants, we compared reported accomplishments to supporting documentation. We tested the most recent Progress Report for the period ended December 31, 2014, that the county submitted to COPS for the methamphetamine and 2012 hiring grants.

In conducting our audit, we performed sample-based audit testing for grant expenditures that included salaries and related fringe benefits, equipment, supplies, training, travel, and other expenses. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed, such as unique payroll and fringe benefits adjustments. This non-statistical sample design did not allow us to project the test results to the universe from which the samples were selected. During our audit, we obtained information from Polk County's accounting system. We did not test the reliability of the system as a whole.

OFFICE OF COMMUNITY ORIENTED POLICING SERVICES'
RESPONSE TO THE DRAFT REPORT



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

Via Electronic Mail

To: Ferris B. Polk
Regional Audit Manager
Atlanta 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: January 11, 2016

Subject: Response to the Draft Audit Report for the Office of Community Oriented Policing Services (COPS) Grants Awarded to Polk County, Florida

This memorandum is in response to your December 29, 2015 draft audit report on COPS Methamphetamine Initiative Grant #2010-CK-WX-0382, COPS Hiring Program Grant #2012-UL-WX-0010, and COPS Hiring Program Grant #2014-UL-WX-0008 awarded to Polk County, Florida. The COPS Office concurs with the results of the Draft Audit Report and the OIG's determination that Polk County complied with the essential requirements of the grants in the areas tested.

The COPS Office would like to thank you for the opportunity to review and respond to the draft audit report. If you have any questions, please contact me at 202-514-1411 or via e-mail at micaela.hart@usdoj.gov.

cc: (provided electronically)

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Atlanta Regional Audit Office
U.S. Department of Justice, Office of the Inspector General

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ADVANCING PUBLIC SAFETY THROUGH COMMUNITY POLICING



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Grant Files: COPS METH Grant #2010-CK-WX-0382
CHP Grant #2012-UL-WX-0010
CHP Grant #2014-UL-WX-0008

Audit File

ORI: FL05300

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