



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



**Audit of the Office of Justice Programs
Office for Victims of Crime
Discretionary Awards to
the International Association of Chiefs of Police
Alexandria, Virginia**

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
OFFICE FOR VICTIMS OF CRIME
DISCRETIONARY AWARDS TO
THE INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE
ALEXANDRIA, VIRGINIA**

EXECUTIVE SUMMARY

The U.S. Department of Justice Office of the Inspector General completed an audit of two discretionary awards by the Office of Justice Programs (OJP) Office for Victims of Crime to the International Association of Chiefs of Police (IACP) in Alexandria, Virginia. The IACP received over \$2.8 million under Cooperative Agreement Numbers 2014-VF-GX-K011 and 2015-VF-GX-K006 to both evaluate a law enforcement victim response strategy and develop resources for law enforcement to support victims' access to compensation. As of February 6, 2017, the IACP had drawn down \$742,447 of the total grant funds awarded.

The objectives of this audit were 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 award; and to determine whether the grantee demonstrated adequate progress towards achieving program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

As a result of our audit testing, while we noted that the FY 2014 grant project diverged from the original design due to significant changes by OJP, we concluded that the IACP generally demonstrated adequate progress towards achieving the stated goals and objectives of the reviewed grants. While we did not identify significant concerns regarding the IACP's process for reporting on its program performance, developing drawdown requests, compiling its federal financial reports, or documenting certain IACP expenses, we found that the IACP did not adhere to all of the award requirements of the grants we tested. Specifically, the IACP did not comply with requirements pertaining to the justification and documentation of consultant rates, handling of travel expenses, and monitoring of subrecipient payroll expenses. As a result, we identified \$27,842 in total questioned costs.

Our report contains seven recommendations to OJP detailed later in this report. Our audit objectives, scope, and methodology are discussed in Appendix 1, and the Schedule of Dollar-Related Findings appears in Appendix 2. In addition, we requested a response to our draft report from the IACP and OJP, which are appended to this report as Appendix 3 and 4, respectively. Our analysis of both responses and a summary of actions necessary to close the recommendations is found in Appendix 5.

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The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of two discretionary cooperative agreements awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC) to the International Association of Chiefs of Police (IACP) in Alexandria, Virginia.¹ As shown in Table 1, the OVC funded two IACP awards beginning in fiscal years 2014 and 2015 and totaling over \$2.8 million under the *Victims of Crime Act* (VOCA).²

**Table 1
VOCA Discretionary Grants Awarded to the IACP
September 2014 to September 2015**

Award Number	Award Date	Project Start Date	Project End Date	Award Amount
2014-VF-GX-K011	09/12/2014	10/01/2014	12/31/2015	\$1,299,585
Supplement 1	09/23/2015	10/01/2014	12/31/2016	400,000
Supplement 2	09/16/2016	10/01/2014	09/30/2017	392,164
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2015-VF-GX-K006	09/24/2015	10/01/2015	09/30/2018	750,000
Total:				\$2,841,749

Source: OJP's Grants Management System (GMS)

The OVC administers VOCA's Crime Victims Fund (CVF), made up of funds from fines, forfeited bail bonds, and penalties of convicted federal offenders. CVF grants support programs and services to help victims of crime, including providing funds for training, technical assistance, and other capacity-building programs to enhance the ability of victim service providers. The OVC awards discretionary grants to state and local governments, individuals, educational institutions, and private nonprofit organizations to support national-scope demonstration projects and training and technical assistance that enhance the professional expertise of victim service providers.

The Grantee

The IACP is a nonprofit organization and professional association for law enforcement worldwide. The IACP provides resources and support to its 25,000 members, to include law enforcement professionals, academics, and service

¹ Generally, discretionary awards are grants that are awarded following a competitive selection process. OJP may award cooperative agreements when it (or its bureaus or program offices) anticipates being substantially involved with the recipient during performance of the funded activity. We refer to these awards as grants throughout the report.

² 42 U.S.C. § 112.10603 (2016).

providers, in all aspects of law enforcement policy and operations. The IACP serves law enforcement through advocacy, training opportunities, research, and conferences to encourage the exchange of information. IACP programs develop best practices, lessons learned, and strategic approaches to help members address complex issues in the law enforcement field.

OIG Audit Approach

The objectives of this audit were to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

We tested compliance with what we consider to be the most important conditions of the grants. The authorizing VOCA legislation, the OJP and DOJ Financial Guides, and the award documents contain the primary criteria we applied during the audit.³ We also reviewed relevant IACP policies and procedures and interviewed IACP personnel and partners to determine the IACP's progress towards achieving the grant objectives.

The results of our analysis are discussed in detail later in this report. Appendix 1 contains additional information on this audit's objectives, scope, and methodology. The Schedule of Dollar-Related Findings appears in Appendix 2.

Program Performance and Accomplishments

The OVC awards VOCA discretionary funds to identify and implement promising practices, models, and programs, and to address gaps in training and technical assistance for the victim services field. We reviewed the award documents and interviewed grantee officials and partners to determine whether the IACP demonstrated adequate progress towards achieving its program goals and objectives. We also reviewed the semiannual performance reports that the IACP submitted to the OVC to verify IACP's reported progress on its program activities and deliverables. Finally, we reviewed IACP's compliance with the award special conditions identified in the award documents.

³ The revised DOJ Financial Guide went into effect for awards made after December 2014 and reflects updates to comply with the Uniform Grant Guidance, 2 C.F.R. part 200. The OJP Financial Guide governed the original fiscal year (FY) 2014 award in our scope, while the revised 2015 DOJ Financial Guide applies to the supplements of the FY 2014 award, as well as the FY 2015 award.

Program Goals and Objectives

The scope of our audit included two OVC discretionary awards to the IACP, in support of separate projects with distinct objectives: (1) to evaluate a law enforcement victim response strategy, and (2) to deliver training and resources for law enforcement to support victims' access to compensation.

FY 2014 Award: *Enhancing Law Enforcement Response to Victims*

Prior to the FY 2014 award, the IACP developed and released an OVC-funded strategy titled Enhancing Law Enforcement Response to Victims (ELERV), which was designed to improve law enforcement's response to victims of crime. While several law enforcement agencies piloted this strategy under previous OVC awards, the OVC originally planned that the FY 2014 award would support a three-pronged project to establish an evidence base for the ELERV strategy. First, the OVC would competitively choose three demonstration sites to implement the ELERV strategy. Second, the IACP would provide technical assistance to the sites. Third, one independent evaluator selected by the National Institute of Justice (NIJ) would evaluate how the sites implemented ELERV. The goal of this project was to formally evaluate the ELERV strategy so that it could be promoted as an evidence-based practice.

Under this original plan, the OVC envisioned that the IACP – the original developer of the ELERV strategy – would only provide technical assistance to the demonstration sites. However, during our audit, we found that the project evolved significantly from the original plan. While the OVC originally planned to solicit on its own for law enforcement agencies to serve as demonstration sites, we found the OVC was unable to obtain a sufficient number of responses from eligible applicants by its original deadline in June 2014. As such, the OVC eventually ceded this portion of the project to the IACP. Through the September 2014 award, the OVC funded the IACP for work on the following objectives: (1) competitively select and fund three demonstration sites, (2) provide intensive technical assistance to the sites to implement the ELERV strategy, (3) revise and update the strategy, and (4) develop a long-term plan to deliver technical assistance on the strategy nationwide.

In addition, while the OVC initially planned to have the NIJ select a single independent evaluator to evaluate how the three sites implemented ELERV, we found that the NIJ did not ultimately fulfill this role. According to one NIJ official, due to the lack of responses received by the OVC from potential demonstration sites, the NIJ cancelled its solicitation to acquire an independent evaluator in June 2014. The NIJ official explained that, at that time, no demonstration sites were in place and the OVC lacked a logic model necessary to outline the reasonable outcomes of the ELERV strategy, which created the risk that an evaluator would end up evaluating outcomes that were not related to the targeted program.

Once the IACP selected the demonstration sites and created a logic model outlining reasonable outcomes of the ELERV strategy, the OVC again explored funding the NIJ to select an evaluator for the sites. However, in July 2015, the NIJ

recommended that the OVC and IACP identify an evaluator for each site instead of the NIJ soliciting for a single evaluator to conduct an outcome evaluation across all three sites. The OVC then approved two Grant Adjustment Notices (GAN) in January 2016 to direct the IACP to select and fund three local research partners to conduct needs assessments and process evaluations at the sites. In September 2016, the OVC awarded the IACP a second supplement under this award to continue its work on all elements of the project.

To determine the IACP's timeliness in meeting its grant goals and objectives, we reviewed IACP's time-task plans submitted with its original application, applications for supplemental awards, and GANs. We noted differences between the originally approved time-task plan and the subsequent time-task plans submitted to the OVC that reflect significant delays in the project timeline. Our interviews with IACP and OVC officials confirmed that the ELERV project experienced delays, mainly due to revisions to the evaluation component of the project. We noted the following delays in key activities and deliverables that we determined to be significant to the objectives of the grant: (1) selection of demonstration sites, (2) hiring of project-dedicated IACP staff, (3) completion of needs assessments at the sites, and (4) development of site-specific implementation plans. While we found these delays to be significant, we determined that the IACP notified the OVC of the delays and that the OVC approved GANs adjusting the scope and timeline of the project accordingly.

However, during our interviews with OVC, NIJ, and IACP officials, we determined that the independent evaluation component of the grant project had significantly changed from the original solicitation. We therefore recommend that OJP reevaluate the goals and objectives of the overall FY 2014 grant to ensure that the revised design of the project still meets the award's intended purpose, which was to evaluate the ELERV strategy and promote it as an evidence-based practice.

FY 2015 Award: *Supporting Victims' Access to Compensation*

The OVC made the FY 2015 award with the specific objective of developing training and technical assistance related to the key role that law enforcement plays in supporting crime victims' access to compensation. This was one facet of the OVC's larger "Vision 21 Innovation Grants Program," which articulated broad goals and objectives of providing training, technical assistance, capacity building, assessment, or strategic planning, focused on specialized needs of victims of crime. In its solicitation, the OVC envisioned grantees developing training materials such as instructional videos, tip cards for victim-centered investigative reports, and brochure templates to notify victims of available resources.

The IACP identified the following seven objectives for its funded project: (1) survey state crime victim compensation board directors and law enforcement agencies on why eligible victims do not access compensation, (2) convene an advisory committee to review the survey results and guide training and resource material development, (3) develop three short instructional videos for law enforcement, (4) create customizable tip cards to educate law enforcement about

the elements necessary for investigative reports to promote the success rate of claims filed by victims, (5) create a brochure template with information on crime victim compensation, (6) provide technical assistance to law enforcement agencies to aid them in using project deliverables, and (7) develop a plan to distribute information and training materials to the law enforcement field.

Our review of the time-task plan and program deliverables that the IACP submitted to the OVC found no indications that the IACP was not adequately achieving the stated goals and objectives of the grant. We conclude that the IACP appears to be generally on track to meet the goals and objectives of this award.

Required Performance Reports

According to the DOJ Financial Guide and award special conditions, grant recipients must submit semiannual progress reports for each grant and ensure that reported accomplishments are adequately supported with appropriate documentation and evidence. In order to verify the information in IACP's semiannual performance reports, we selected a sample of performance measures from the two most recent performance reports that the IACP submitted for each grant, covering the period of January through December 2016. We selected nine reported accomplishments for the FY 2014 award and five accomplishments for the FY 2015 award and traced the items to support maintained by IACP. Based on our progress report testing, we did not identify any instances where the accomplishments described in the required reports did not match the support.

Compliance with Special Conditions

Special conditions are the award terms and conditions that constitute additional requirements for the award recipient. We evaluated the special conditions for both grants and selected a judgmental sample of the requirements that we believed were significant to performance under the grants and otherwise not addressed in another section of this report. We evaluated three special conditions for the FY 2014 award and four special conditions for the FY 2015 award.

One of the special conditions governing both the FY 2014 and FY 2015 awards is the requirement that the IACP report first-tier subawards of \$25,000 or more in accordance with the Federal Funding Accountability and Transparency Act of 2006 (FFATA). We determined that this requirement was applicable to both grants, as both have subawards over \$25,000. For the FY 2014 grant, we found that the IACP had not adhered to this reporting requirement for any of its demonstration site and evaluator partners – all six of which received subawards over the \$25,000 threshold. For the FY 2015 grant, we further found that the IACP submitted FFATA reports on its two subaward recipients five months late, after the OVC noted this issue during a site visit.

Another special condition applicable to both awards requires the IACP to notify the OVC of changes in its Project Director position and key program personnel on the grant, and to replace the key program personnel only for

compelling reasons. We determined that the key program personnel for the FY 2014 grant – including the Director, Assistant Director, Program Manager, and Project Manager – had changed multiple times. We noted that while the IACP received GANs to document the changes in the assigned Director on the project, the IACP did not request GANs to document changes in other key personnel who held more direct responsibility in running the funded project. We note that although the IACP did not request a GAN for these changes, the OVC grant manager for the FY 2014 award indicated that the IACP had notified her of the personnel changes. For the FY 2015 award, we noted one instance of a change in personnel due to the addition of a second Project Manager working on the grant, without a corresponding GAN. The OVC grant manager for the FY 2015 award was aware of this change but stated that she would expect to see a GAN reflecting this change if the personnel addition is permanent.

We also tested the IACP's compliance with the FY 2014 award requirement to report on conference costs totaling over \$20,000 and found that the all-hands meetings for the project did not meet the \$20,000 reporting threshold. Additionally, we tested the FY 2015 award requirements for the IACP to submit a revised time-task plan and a privacy certificate for OVC approval. While we found that the IACP made these submissions after the special condition deadlines, we determined that the delays did not have a significant impact on the overall timeliness of the grant project.

We recommend that OJP ensure the IACP adheres to its special condition requirements in a timely manner, including reporting on significant subawards and adequately notifying the OVC of the personnel changes on its grants.

Grant Financial Management

The DOJ Financial Guide requires all grant recipients and subrecipients to establish and maintain adequate accounting systems and financial records, and to accurately account for funds awarded to them. To assess the IACP's financial management of the grants under audit, we reviewed its financial policies and procedures and interviewed key personnel to determine whether the IACP adequately safeguarded the grant funds we audited. We also reviewed the IACP's Single Audit reports for FYs 2014 and 2015 to identify internal control weaknesses and significant non-compliance issues related to federal awards.⁴ Finally, we performed testing in the areas that were relevant for the management of these grants, as discussed throughout this report.

We found IACP's policies and procedures governing the management of federal funds to be generally sufficient; however, based on our testing, we found that the IACP did not consistently comply with its own grant management policies and procedures, and we noted certain deficiencies with regard to IACP's handling of federal grant funds. Specifically, we found that the IACP did not always adhere to its policy regarding the execution of written contracts for all individuals and entities

⁴ As of May 19, 2017, the IACP had not yet filed its Single Audit report for FY 2016.

performing services for the IACP, which resulted in insufficiently justified consultant rates. We additionally noted some deficiencies in IACP's handling of travel expenses and monitoring of its subrecipients. We detail the issues regarding the IACP's handling of federal award funds in the Grant Expenditures section of this report.

Grant Expenditures

For the FY 2014 and FY 2015 awards, IACP's approved budgets included the following categories: personnel, fringe, staff travel, contractual, supplies, indirect, and other costs. To determine whether costs charged to the grants were allowable, supported, and properly allocated in compliance with award requirements, we tested a judgmental sample of 60 transactions representing \$135,856 in grant expenditures. We reviewed the supporting documents and accounting records, performing verification testing related to each grant expenditure.

We tested transactions in the categories of supplies and other costs and found that the costs were allowable, supported, and properly allocated to the grants. We additionally calculated the indirect costs for each project using IACP's approved indirect cost rate and did not identify any issues related to the indirect costs charged to the grants. The following subsections describe the results of our testing in the remaining cost categories. Based on this testing, we question \$27,842 in travel and subrecipient payroll costs and make five recommendations.

Personnel and Fringe

To test IACP's personnel and fringe costs, we judgmentally selected two nonconsecutive pay periods for each grant under audit. For each of the 15 payroll transactions within our sample, we reviewed employee timesheets and pay stubs and compared the costs to the approved budgets. While we did not identify any issues related to IACP's payroll calculations, we did note that multiple IACP employees who were not specified in the grant budgets had charged time to the grants. The OVC grant managers for both awards told us they were not aware of many of the additional individuals charging to the grant; however, they were not concerned by the charges as they anticipated that additional staff at the IACP would help support the grant projects. As we found the IACP to be under budget in its overall spending for personnel and fringe, we did not take issue with these additional costs.

Staff Travel

In its FY 2014 and FY 2015 award budgets, the IACP included funding for its project staff to attend numerous site visits, all-hands meetings, and national conferences to advance the award objectives. For the FY 2014 award, we found that multiple staff trips were not outlined in IACP's approved budget, and that the IACP spent significantly more in the subcategory of staff travel than approved in its budget. As part of our testing, we selected 16 total transactions for testing in the area of IACP staff travel. In this section, we also discuss our testing of 11

consultant travel expenses, categorized by the IACP as contractual costs, but treated in a similar fashion as staff travel.

In reviewing the award budgets, we noted a \$45 booking fee outlined for each flight purchase. When we requested support for our sample of travel transactions, we found that the IACP effectively splits this fee into two parts for each flight expense. The first part is a \$10 fee that is included in each flight itinerary booked by IACP's travel agency, while the second part is a separate \$35 charge to offset the salary of an internal IACP employee who books travel for the organization. While we ultimately did not question these charges, we determined that the budget description of a \$45 travel fee is not the most accurate representation of these costs. Furthermore, we confirmed with the OVC grant managers that they were not aware of this use of the travel fees.

We additionally identified multiple instances in which the IACP applied a credit from previously purchased airfare to purchase or change flights for travel associated with the grants. Per IACP's travel policy, the IACP only issues non-refundable airline tickets. We identified one instance within our sample when the IACP did not use a flight, yet charged this flight expense to the grant. Additionally, for multiple flight transactions within our sample, the IACP covered the cost of a flight with a credit and charged a \$200 change fee to the grant. IACP officials informed us that, while the credits used to pay for flights are tied to the particular individual and airline booked for the original ticket, the IACP does not tie the use of the credits to the original project or funding source. We noted that, as a result of this credit method, VOCA grant funding used to pay for a flight that was modified could potentially be used to offset the costs of flights supporting other IACP projects. We confirmed with OJP's Office of the Chief Financial Officer (OCFO) that, in cases in which a flight is canceled or changed and results in a credit, the funds should be returned to the grant under which the flight was purchased. Furthermore, fees or penalties related to a cancellation or change in flight are generally unallowable per the DOJ Financial Guide. We therefore question the \$1,023 associated with unused airfare and airfare change penalties as unallowable costs.

We further found several instances of travel expenses designated as first class airfare. IACP personnel told us that under certain circumstances, such as airline promotional offers, first class airfare costs may not exceed the coach fare. We confirmed with IACP officials that IACP's travel policy prohibits reimbursement for first class airfare, and we found these costs to be reasonable; therefore, we did not question costs associated with these itineraries. However, we find that the IACP could improve its recordkeeping to substantiate that airfare designated as first class in these instances was equal to or less than the coach fare.

Based on our analysis of staff travel, we recommend that OJP work with the IACP to: (1) adjust its grant budgets in order to represent its travel-related grant expenses and fees accurately, (2) track the source of its travel credits so that it can return credited amounts to the appropriate funding source, and (3) maintain justifications for irregular travel expenses, such as airfare designated as first class.

We further recommend that OJP remedy \$1,023 in unallowable costs associated with an unused airfare and airfare change penalties.

Contractual Costs

In the budgeted category of contractual costs for the FY 2014 award, the IACP included consultant services and travel costs for the project's subject matter experts, as well as funding for each of the demonstration sites and research partners. For the FY 2015 award, the IACP included travel costs for its advisory committee subject matter experts as well as funding for two partner organizations and a video production company.

Consultant Costs

Per the DOJ Financial Guide, compensation for individual consultant services must be reasonable and consistent with that paid for similar services in the marketplace. We selected four consultant cost transactions to test under the FY 2014 award, totaling \$7,125. We additionally tested a sample of transactions related to consultant travel for both grants, discussed above. To complete our testing of consultant costs, we requested and reviewed the applicable consulting agreements, as well as supporting documents for each expense.

According to IACP's internal policies and procedures, the IACP must execute a written contract any time individuals or businesses perform services for the IACP, including consulting and other specialized services. Among other requirements, the contract must include the nature of the services, the period of performance, and the amount to be paid. IACP officials informed us that, despite having internal policies that require the execution of written consultant agreements, they did not execute agreements for the FY 2014 award consultants until May 2016, despite their work having started as early as November 2015. Furthermore, we noted a significant discrepancy in the rates paid to the consultants before and after the execution of consulting agreements. In one instance, a consultant on the FY 2014 grant was compensated at the maximum rate allowable under the revised DOJ Financial Guide, \$650 per day, in a transaction prior to May 2016. Following the execution of a consultant agreement – which included IACP's internal consultant rate justification form to calculate the consultant's rate based on his or her base compensation – the same individual had a consultant rate of \$400 per day. We noted that the work performed by the consultants on the project appeared to be consistent throughout the award period. In these instances, we believe that the IACP did not sufficiently formalize its consulting agreements or justify the charging of the maximum allowable consultant rate.

Under the FY 2015 grant, the IACP set up an advisory committee made up of volunteers. While the IACP did not compensate these volunteers as consultants, the IACP paid the travel expenses – including airfare, lodging, and meals and incidental expenses – for the individuals to attend a committee meeting in Alexandria, VA. The IACP provided us with the invitations to serve on the advisory committee that it sent to the individuals and, in some cases, the email acceptance

from the individuals. However, the IACP informed us it had not executed formal written agreements for the advisory committee members.

We recommend that OJP ensure the IACP: (1) adheres to its own policy to execute written agreements for all individuals and entities performing consulting services for the IACP and (2) appropriately justifies and documents the rates for these services.

Subrecipient Expenditures

According to the DOJ Financial Guide, primary award recipients are responsible for adequately monitoring their subrecipients to ensure that the subaward is used for the authorized purpose, in compliance with the federal program and grant requirements, laws, and regulations. Additionally, subrecipients of federal awards must provide the primary award recipient access to any documents or other records pertinent to the award. We tested an invoice from both subrecipients under the FY 2015 award and from four of the six subrecipients under the FY 2014 award.⁵ We traced the expenses in each invoice to supporting documentation provided by the subrecipient to the IACP in order to determine whether subrecipient expenditures were sufficiently supported and properly monitored.

We noted specific issues with the IACP's monitoring of subrecipient payroll charges, which constitute the majority of the subrecipient expenses. The IACP did not consistently obtain detailed support for subrecipient payroll expenses. In one instance, IACP officials approved a subrecipient's payroll charges without obtaining timesheets or activity logs to verify the number of hours worked; instead, the IACP reimbursed this subrecipient's payroll expenses based on a summary of the total hours worked by each individual on the grant. We nevertheless found that the subrecipient maintained detailed activity logs for each month worked on the grant, and we found these logs ultimately supported the payroll costs. However, we find that the IACP's process to reimburse this subrecipient was not sufficient to ensure the subrecipient's payroll expense request was accurate.

In another instance, IACP officials informed us that a particular subrecipient would not release its payroll information to the IACP for the individuals working on the grant, as the subrecipient deemed this information to be sensitive. Instead, the IACP relied on the subrecipient's verbal confirmation of one of the two employees' salary and percentage of time worked on the grant. The IACP used this information to validate the subrecipient's original and subsequent invoices. We find this to be an insufficient basis of support for reimbursement of subrecipient payroll expenses. We therefore question the total amount of \$26,819 in all payroll expenses and associated indirect expenses paid to this subrecipient.

⁵ At the time of our testing, one subrecipient under the FY 2014 award had not received reimbursement for an invoice submitted to the IACP and another subrecipient had not submitted a request for reimbursement to the IACP.

Although we found that the remaining subrecipient expenditures were generally supported and allowable based on the subrecipient budgets and applicable criteria, the issues noted above indicate the IACP can strengthen its process to monitor subrecipients and their reimbursement requests. We recommend that OJP remedy a total of \$26,819 in unsupported subrecipient payroll costs. We additionally recommend that OJP ensure the IACP adequately monitors its subrecipients, to include obtaining the necessary documents from its subrecipients to verify all payroll expenses charged to the grant.

Budget Management and Control

According to the DOJ Financial Guide, the award recipient is responsible for establishing and maintaining an adequate accounting system, which includes the ability to compare actual expenditures or outlays with budgeted amounts for each award. Additionally, the grant recipient must initiate a Grant Adjustment Notice (GAN) for a budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount. We compared grant expenditures to the approved budgets to determine whether the IACP transferred funds among budget categories in excess of 10 percent of the award amount. While we found that for the FY 2014 grant and supplements the IACP has spent significantly more in the subcategory of staff travel than approved in its budget, we determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent and was therefore allowable.

Drawdowns

According to the DOJ Financial Guide, award recipients should request funds based on immediate disbursement or reimbursement requirements and spend the funds within 10 days of the drawdown. Further, grantees must employ an adequate accounting system to document support of all receipts of federal funds.

We reviewed IACP's grant finance and administration policies and interviewed relevant finance personnel to determine IACP's procedures for drawing down funds. We also found that as of February 2017, the IACP drew down \$565,539 of the FY 2014 grant and \$176,908 of the FY 2015 grant. To assess whether the IACP properly drew down these funds in accordance with federal requirements, we compared the total amounts reimbursed to the total expenditures recorded in IACP's general ledger. We found that the IACP properly drew down award funds on a reimbursement basis. We did not identify significant deficiencies related to the recipient's drawdown procedures; however, we identified deficiencies and questioned costs related to compliance of individual expenditures with grant rules, as described above in the Grant Expenditures section in this report.

Federal Financial Reports

The DOJ Financial Guide requires award recipients to submit a quarterly Federal Financial Report (FFR) to OJP no later than 30 days after the last day of each quarter. The recipient must report the actual expenditures and unliquidated obligations incurred for the reporting period and cumulatively for the life of the grant. To determine whether the IACP submitted accurate FFRs, we compared the four most recent reports to IACP's accounting records for each grant. We found that IACP's accounting records matched the quarterly and cumulative expenditures reported in the FFRs.

Conclusion

While we noted that the FY 2014 grant project diverged from the original design due to significant changes by OJP, we conclude that the IACP generally demonstrated adequate progress towards achieving the grants' stated goals and objectives, though we did identify several discrepancies or instances of noncompliance with the grant requirements we tested. We did not identify significant issues regarding the IACP's process for reporting its program performance, developing drawdown requests, or compiling its federal financial reports. Yet, we found that the IACP did not comply with essential award requirements related to its compliance with the award special conditions, handling of travel expenses, and monitoring of subrecipients. Additionally, we found that the IACP was not consistently in compliance with its own policies and procedures governing grant management, specifically in the execution of written consultant agreements. We provide seven recommendations to OJP to address these deficiencies.

Recommendations

We recommend that OJP:

1. Reevaluate the goals and objectives of the overall FY 2014 grant to ensure that the revised design of the project still meets the award's intended purpose, which was to evaluate the ELERV strategy and promote it as an evidence-based practice.
2. Ensure the IACP adheres to its special condition requirements in a timely manner, including reporting on significant subawards and adequately notifying the OVC of the personnel changes on its grants.
3. Work with the IACP to: (1) adjust its grant budgets in order to represent its travel-related grant expenses and fees accurately, (2) track the source of its travel credits so that it can return credited amounts to the appropriate funding source, and (3) maintain justifications for irregular travel expenses, such as airfare designated as first class.

4. Remedy \$1,023 in unallowable costs associated with an unused airfare and airfare change penalties.
5. Ensure the IACP: (1) adheres to its own policy to execute written agreements for all individuals and entities performing consulting services for the IACP and (2) appropriately justifies and documents the rates for these services.
6. Remedy a total of \$26,819 in unsupported subrecipient payroll costs.
7. Ensure the IACP adequately monitors its subrecipients, to include obtaining the necessary documents from its subrecipients to verify all payroll expenses charged to the grant.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of this audit were to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

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.

This was an audit of two discretionary cooperative agreements awarded by the Office of Justice Programs (OJP) Office for Victims of Crime to the International Association of Chiefs of Police (IACP) under the *Victims of Crime Act* (VOCA). The IACP received over \$2.8 million under cooperative agreement numbers 2014-VF-GX-K011 and 2015-VF-GX-K006. As of February 6, 2017, the IACP had drawn down \$742,447 of the total grant funds awarded. Our audit concentrated on, but was not limited to, the period of September 12, 2014, the award date for grant number 2014-VF-GX-K011, through the conclusion of our audit work in June 2017. At the time of our audit initiation, the IACP had received an additional VOCA award for FY 2016 in the amount of \$5 million. We did not include this grant in the scope of the audit as the IACP had not drawn down any funds on the award at that time.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of IACP's activities related to the audited grants. We performed sample-based audit testing in the areas of grant expenditures, financial reports, and performance reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The authorizing VOCA legislation, the OJP and DOJ Financial Guides, and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System as well as the IACP's accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those

systems as a whole, therefore any findings identified involving information from those systems was verified with documentation from other sources.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs:⁶		
Unallowable Travel Costs	\$1,023	9
Unsupported Subrecipient Costs	\$26,819	11
TOTAL QUESTIONED COSTS	<u>\$27,842</u>	

⁶ **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.

INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE RESPONSE TO THE DRAFT AUDIT REPORT

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International Association of Chiefs of Police

44 Canal Center Plaza, Suite 200
Alexandria, VA 22314-2357
P: 703-836-6767; 1-800-THE IACP
F: 703-836-4543
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July 6, 2017

John Manning
Regional Audit Manager
Washington Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
1300 North 17th Street, Suite 3400
Arlington, VA 22209

RE: U.S. Department of Justice (DOJ), Office of the Inspector General (OIG), Washington Regional Audit Office draft audit report, dated June 15, 2017, to the Office of Justice Programs (OJP), related to an audit of cooperative agreement numbers 2014-VF-GX-KO11 and 2015-VF-GX-K006

Dear Mr. Manning,

This letter is IACP's official written response to the draft report recommendations referenced above. We appreciate the opportunity to provide these comments prior to issuance of the final report. We further appreciate the professionalism and objectivity that the OIG has demonstrated in conducting this audit.

Below are our responses to the recommendations in the draft report:

1. We recommend that OJP reevaluate the goals and objectives of the overall FY 2014 grant to ensure that the revised design of the project still meets the award's intended purpose, which was to evaluate the ELERV strategy and promote it as an evidence-based practice.

Although this recommendation is directed to OJP, IACP does not concur with this viewpoint. The original purpose of the award, as stated by OVC, 'to evaluate how the sites implement ELERV so that it can be promoted as an evidence-based practice', has never been altered and is still being carried out.

President Chief Donald W. de Lucca Doral, FL, Police Department	Third Vice President Chief Steven R. Casarone Buffalo Grove, IL, Police Department	Vice President at Large Chief Wade Carpenter Park City, UT, Police Department	General Chair Division of State Associations of Chiefs of Police Chief Timothy Lowery Florissant, MO, Police Department	Parliamentarian Professor Ramal Searles, Ph.D. Loyola University New Orleans, LA
First Vice President Chief Louis M. Dekmar LaGrange, GA, Police Department	Fourth Vice President Chief Cynthia E. Ransaud Folsom, CA, Police Department	International Vice President Director Patrick Stevens INTERPOL Lyon, France	General Chair Division of State and Provincial Police Colonel Tracy Trott Tennessee Highway Patrol	Executive Director / Chief Executive Officer Vincent Talucci Alexandria, VA
Second Vice President Chief Paul M. Cell Montclair State University, NJ, Police Department	Vice President at Large Chief Richard E. Smith Wakefield, MA, Police Department	Vice President-Treasurer Chief Dwight E. Heminger Vail, CO, Police Department	General Chair of the Midsize Agencies Division Chief Paul Williams Springfield, MO, Police Department	Deputy Executive Director Terence M. Cunningham Alexandria, VA

At the direction of OVC and NIJ, the method by which this work is carried out was changed so that each site has its own independent evaluator, as opposed to the original plan involving a single evaluative body. This modification was made at the direction of OVC, and OVC worked closely with the IACP at each step of implementation. The original intent, to provide an evidence-based foundation for the initiative, guided each step in the development of the revised evaluative strategy.

IACP internal notes recorded from a conversation with OVC on July 29, 2015 show that OVC informed the IACP Program Manager that "NIJ recently informed OVC that the solicitation for the independent evaluator would not be released before the end of 2015, which means that the evaluation would not start until around October 2016 at the earliest" "As a result, OVC wants to reposition NIJ on the project including their role ..." and "OVC would like IACP to take on the responsibility for making the award to the evaluator(s) in order to keep the momentum going with the project".

The goals and objectives of the revised design of the ELERV grant remain unchanged and meet the award's intended purpose. Through our site research partners, we believe that at the conclusion of the initiative, we will have successfully demonstrated its value as an evidence-based practice.

2. We recommend that OJP ensure the IACP adheres to its special condition requirements in a timely manner, including reporting on significant subawards and adequately notifying the OVC of the personnel changes on its grants.

IACP concurs with this recommendation. While previous personnel changes have been made with the knowledge of our OVC grant managers, the need to submit official notification is being remedied at present. IACP will prepare a Grant Adjustment Notice (GAN) to update all personnel changes by the end of August 2017.

In the future, IACP will adhere to the special conditions of the grant requirements in a timely manner. IACP will put in place a framework to promptly report staffing changes as well as to appropriately report the issuance of subawards. IACP will revise its policies and procedures to report significant subawards in a timely manner by the end of August 2017.

3. We recommend that OJP work with the IACP to:
 - a. Adjust its grant budgets in order to represent its travel-related grant expenses and fees accurately,

IACP concurs with this recommendation. We will work with OJP to submit a GAN clarifying our travel related fees by the end of August 2017.

- b. Track the source of its travel credits so that it can return credited amounts to the appropriate funding source, and

IACP concurs with this recommendation. We will revise our policies and procedures to ensure that all travel credits will be moved to the appropriate funding source by the end of August 2017.

- c. Maintain justifications for irregular travel expenses, such as airfare designated as first class.

IACP concurs with this recommendation. We will revise our policies and procedures to ensure that all irregular travel expenses are supported by written documentation and filed appropriately by the end of August 2017.

4. We recommend that OJP remedy \$1,023 in unallowable costs associated with an unused airfare and airfare change penalties.

IACP does not concur with this recommendation. The report states that "Fees or penalties related to a cancellation or change in flight are generally unallowable per the DOJ Financial Guide." We examined both the 2014 and 2015 versions of the DOJ Financial Guide and could not find any mention of cancellation or changes in flights. Furthermore, we believe that if a change in flight occurs due to a valid business reason, or for reasons beyond the traveler's control, then any change or cancellation fees should be allowable expenses to a federal grant. We would like to discuss this matter further with OJP to reach a common understanding.

5. We recommend that OJP ensure the IACP:
 - a. Adheres to its own policy to execute written agreements for all individuals and entities performing consulting services for the IACP and
 - b. Appropriately justifies and documents the rates for these services.

IACP concurs with these recommendations. We believe that our current compliance controls are effective and efficient and that these exceptions to our policies would have been prevented or discovered in the current control environment.

6. We recommend that OJP remedy a total of \$26,819 in unsupported subrecipient payroll costs

IACP concurs with this recommendation. IACP has already obtained all supporting payroll documentation from the subrecipient and has forwarded this documentation to OIG.

7. We recommend that OJP ensure that IACP adequately monitors its subrecipients, to include obtaining the necessary documents from its subrecipients to verify all payroll expenses charged to the grant.

IACP concurs with this recommendation. We will revise our policies and procedures with regard to subrecipient monitoring to mandate that all subrecipient payroll charges be supported with timesheets/activity logs and pay rate information by the end of August 2017.

In response to the recommendations provided, the IACP will work with OJP to resolve each of them. The IACP is committed to continually improving our oversight and management of our funding and especially all federal funding. This audit provided an opportunity to further strengthen our administrative and management controls and processes.

We will be happy to provide any additional information that you might need.

Sincerely,

DocuSigned by:

BY PASTY 2021/08/08

Vincent Talucci
Executive Director/Chief Executive Officer
International Association of Chiefs of Police

**OFFICE OF JUSTICE PROGRAMS
RESPONSE TO THE DRAFT AUDIT REPORT**



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

JUL 13 2017

MEMORANDUM TO: John Manning
Regional Audit Manager
Washington Regional Audit Office
Office of the Inspector General

FROM: Ralph E. Martin
Director 

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Office for Victims of Crime Discretionary Awards to the International Association of Chiefs of Police, Alexandria, Virginia*

This memorandum is in reference to your correspondence, dated June 15, 2017, transmitting the above-referenced draft audit report for the International Association of Chiefs of Police (IACP). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains seven recommendations and \$27,842 in questioned costs. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

1. We recommend that OJP re-evaluate the goals and objectives of the overall Fiscal Year 2014 grant to ensure that the revised design of the project still meets the award's intended purpose, which was to evaluate the Enhancing Law Enforcement Response to Victims (ELERV) strategy and promote it as an evidence-based practice.

OJP agrees with the recommendation. We will review the revised design of the project to ensure it still meets the award's intended purpose. If not, we will coordinate with IACP to adjust, as needed.

2. **We recommend that OJP ensure the IACP adheres to its special condition requirements in a timely manner, including reporting on significant subawards and adequately notifying the Office for Victims of Crime (OVC) of the personnel changes on its grants.**

OJP agrees with the recommendation. We will coordinate with IACP to obtain written policies and procedures, developed and implemented, to ensure timely adherence to all Federal award special conditions, including reporting on significant subawards in accordance with the Federal Accountability and Transparency Act of 2006, and adequately notifying the Office for Victims of Crime (OVC) of personnel changes on its grants.

3. **We recommend that OJP work with the IACP to: (1) adjust its grant budgets in order to represent its travel-related grant expenses and fees accurately, (2) track the source of its travel credits so that it can return credited amounts to the appropriate funding source, and (3) maintain justifications for irregular travel expenses, such as airfare designated as first class.**

OJP agrees with the recommendation. We will coordinate with IACP to ensure it: (1) adjusts grant budgets in order to represent travel-related grant expenses and fees accurately, (2) tracks the source of travel credits so that they can return credited amounts to the appropriate funding source, and (3) maintains justification for irregular travel expenses, such as airfare designated as first class.

4. **We recommend that OJP remedy \$1,023 in unallowable costs associated with an unused airfare and airfare change penalties.**

OJP agrees with the recommendation. We will coordinate with IACP to remedy the \$1,023 in questioned costs, related to unused airfare and airfare change penalties, that were charged to Cooperative Agreement Number 2014-VF-GX-K011.

5. **We recommend that OJP ensure the IACP: (1) adheres to its own policy to execute written agreements for all individuals and entities performing consulting services for the IACP and (2) appropriately justifies and documents the rates for these services.**

OJP agrees with the recommendation. We will coordinate with IACP to obtain written policies and procedures, developed and implemented, to ensure that it: (1) adheres to its own policy to execute written agreements for all individuals and entities performing consulting services for the IACP and (2) appropriately justifies and documents the rates for these services.

6. **We recommend that OJP remedy a total of \$26,819 in unsupported subrecipient payroll costs.**

OJP agrees with the recommendation. We will coordinate with IACP to remedy the \$26,819 in questioned costs, related to unsupported subrecipient payroll costs, that were charged to Cooperative Agreement Numbers 2014-VF-GX-K011 and 2015-VF-GX-K006.

7. **We recommend that OJP ensure the IACP adequately monitors its subrecipients, to include obtaining the necessary documents from its subrecipients to verify all payroll expenses charged to the grant.**

OJP agrees with the recommendation. We will coordinate with IACP to obtain written policies and procedures, developed and implemented, to ensure that it adequately monitors its subrecipients, and verifies all subrecipient payroll expenses charged to Cooperative Agreement Numbers 2014-VF-GX-K011 and 2015-VF-GX-K006.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Jeffery A. Haley, Deputy Director, Audit and Review Division, on (202) 616-2936.

cc: Maureen A. Henneberg
Deputy Assistant Attorney General
for Operations and Management

Lara Allen
Senior Advisor
Office of the Assistant Attorney General

Jeffery A. Haley
Deputy Director, Audit and Review Division
Office of Audit, Assessment, and Management

Marilyn Roberts
Acting Director
Office for Victims of Crime

Allison Turkel
Deputy Director
Office for Victims of Crime

Kristina Rose
Deputy Director
Office for Victims of Crime

cc: James Simonson
Associate Director for Operations
Office for Victims of Crime

Sharron Fletcher
Lead Victim Justice Program Specialist
Office for Victims of Crime

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

OJP Executive Secretariat
Control Number IT20170616092618

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

The Department of Justice (DOJ) Office of the Inspector General (OIG) provided a draft of this audit report to the International Association of Chiefs of Police (IACP) and the Office of Justice Programs (OJP) for review and comment. The IACP's response is incorporated in Appendix 3, and OJP's response is incorporated in Appendix 4 of this final report. In response to our draft audit report, OJP concurred with our recommendations, and as a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and a summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Reevaluate the goals and objectives of the overall FY 2014 grant to ensure that the revised design of the project still meets the award's intended purpose, which was to evaluate the ELERV strategy and promote it as an evidence-based practice.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it would review the design of the project to ensure it still meets the award's intended purpose and, if needed, coordinate with the IACP to adjust the design of the project. The IACP did not concur with our recommendation and stated in its response that the original purpose of the award, which was to evaluate how the sites implement ELERV so that it can be promoted as an evidence-based practice, has never been altered and is still being carried out. The IACP stated that the modification to the design of the project was made at the direction of the Office for Victims of Crime (OVC), and that the goals and objectives of the project remain unchanged and meet the award's intended purpose.

While we acknowledge that the OVC was involved in changes to the scope of the ELERV grant project, we found that the design of the independent evaluation component of the grant project had significantly changed from the original solicitation. We also found that the OVC could not fully articulate its expectations for the end product of this revised project, specifically with regard to the form and substance of the evidence base. Because the original intended purpose of the grant was to establish the ELERV strategy as an evidence-based practice, we concluded that OJP and the IACP would benefit from a review of the goals and objectives of the grant and a clarification of the project deliverables.

This recommendation can be closed when OJP can demonstrate that it has reviewed the intended purpose of the grant and has worked with the IACP to

clarify the nature of the project deliverables expected from this grant project, in order to ensure that the end product is designed to present the ELERV strategy as an evidence-based practice.

2. Ensure the IACP adheres to its special condition requirements in a timely manner, including reporting on significant subawards and adequately notifying the OVC of the personnel changes on its grants.

Resolved. OJP and the IACP both concurred with our recommendation. OJP stated in its response that it would coordinate with the IACP to obtain written policies and procedures, developed and implemented, to ensure timely adherence to all award special conditions, including reporting on significant subawards in accordance with the Federal Accountability and Transparency Act of 2006 and adequately notifying the OVC of personnel changes on its grants. The IACP stated in its response that it would put in place a framework to promptly report staffing changes to the OVC as well as to appropriately report the issuance of subawards. The IACP stated that, by the end of August 2017, it will prepare a Grant Adjustment Notice (GAN) to update the OVC on all grant personnel changes and revise its policies and procedures to report significant subawards in a timely manner.

This recommendation can be closed when OJP provides the OIG with evidence that the IACP has: (1) developed and implemented policies and procedures to ensure that it both reports on significant subawards in a timely manner and adequately notifies the OVC of personnel changes on its grants, and (2) requested GANs to notify the OVC of the personnel changes on its grants.

3. Work with the IACP to: (1) adjust its grant budgets in order to represent its travel-related grant expenses and fees accurately, (2) track the source of its travel credits so that it can return credited amounts to the appropriate funding source, and (3) maintain justifications for irregular travel expenses, such as airfare designated as first class.

Resolved. OJP and the IACP both concurred with our recommendation. OJP stated in its response that it would coordinate with the IACP to ensure that it: (1) adjusts its grant budgets in order to represent travel-related grant expenses and fees accurately, (2) tracks the source of travel credits so that it can return credited amounts to the appropriate funding source, and (3) maintains justification for irregular travel expenses, such as airfare designated as first class. The IACP stated in its response that, by the end of August 2017, it would work with OJP to: (1) submit a GAN to clarify its travel related fees, (2) track the source of its travel credits so that it can return credited amounts to the appropriate funding source, and (3) revise its policies and procedures to ensure that all irregular travel expenses are supported by written documentation and filed appropriately.

This recommendation can be closed when OJP provides evidence that the IACP has: (1) clarified with OJP the nature of its travel-related fees, (2) developed and implemented policies and procedures to track the source of its travel credits so that it can return credited amounts to the appropriate funding source, and (3) developed and implemented policies and procedures to ensure that all irregular travel expenses are supported by written documentation.

4. Remedy \$1,023 in unallowable costs associated with an unused airfare and airfare change penalties.

Resolved. OJP concurred with our recommendation. OJP stated in its response that it would coordinate with the IACP to remedy the \$1,023 in questioned costs related to unused airfare and airfare change penalties that were charged to the grants. The IACP did not concur with our recommendation and stated in its response that it examined the DOJ Financial Guide and could not find any reference to cancellations or changes in flights. Further, the IACP stated that it believes that if a change in flight occurs due to a valid business reason, or for reasons beyond the traveler's control, then any change or cancellation fees should be allowable expenses to a federal grant.

In the report, we refer to the 2015 DOJ Financial Guide which lists fines and penalties as generally unallowable costs. We confirmed with OJP and the OCFO that fees and penalties are normally considered unallowable expenses and that the OCFO would normally question costs related to fees and penalties incurred from a flight cancellation, early departure, or no show as unallowable. In addition, the OCFO specifically stated that if there is a cancellation of a flight that has been charged to a grant, it would request to see the credit back to the grant for the costs of the airfare, and disallow any fees associated with the cancellation.

This recommendation can be closed when we receive evidence that OJP has remedied these costs and that OJP has clarified for the IACP the guidelines regarding fees and penalties charged to federal grants.

5. Ensure the IACP: (1) adheres to its own policy to execute written agreements for all individuals and entities performing consulting services for the IACP and (2) appropriately justifies and documents the rates for these services.

Resolved. OJP and the IACP both concurred with our recommendation. OJP stated in its response that it would coordinate with the IACP to ensure that the IACP adheres to its own policy to execute written agreements for all individuals and entities performing consulting services for the IACP, and appropriately justifies and documents the rates for these services. The IACP stated in its response that it believes its current compliance controls are

effective and efficient and that these exceptions would have been prevented or discovered in the current control environment.

This recommendation can be closed when OJP provides evidence that the IACP is in compliance with its policies requiring the execution of written agreements for all individuals and entities performing consulting services for the IACP and that the IACP is appropriately justifying and documenting the rates for these services.

6. Remedy a total of \$26,819 in unsupported subrecipient payroll costs.

Resolved. OJP and the IACP both concurred with our recommendation. OJP stated in its response that it would coordinate with the IACP to remedy the \$26,819 in questioned costs related to unsupported subrecipient payroll costs charged to the grants.

The IACP agreed with this recommendation and obtained payroll documentation – which included timesheets and payroll history reports – from the subrecipient. The IACP provided this material to the OIG after the issuance of our draft audit report. We have reviewed this documentation; however, due to the manner in which the subrecipient presents its salary and fringe costs, we were unable to reconcile this support to the exact totals invoiced by the subrecipient and paid by the IACP for subrecipient employees charging time to this award.

This recommendation can be closed when OJP provides evidence the IACP has remedied these unsupported costs by providing more detailed information on how the subrecipient calculated the salary and fringe benefits for each employee, and allocated these costs to the award.

7. Ensure the IACP adequately monitors its subrecipients, to include obtaining the necessary documents from its subrecipients to verify all payroll expenses charged to the grant.

Resolved. OJP and the IACP both concurred with our recommendation. OJP stated in its response that it would coordinate with the IACP to obtain written policies and procedures, developed and implemented, to ensure that the IACP adequately monitors its subrecipients and verifies all subrecipient payroll expenses charged to the grants. The IACP stated in its response that it would revise its subrecipient monitoring policies and procedures to mandate that all subrecipient payroll charges be supported with timesheets/activity logs and pay rate information by the end of August 2017.

This recommendation can be closed when OJP provides evidence that the IACP has established and implemented policies and procedures to ensure that it conducts adequate monitoring of its subrecipients, to include obtaining the necessary documentation to verify payroll expenses charged to the grants.

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



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