



Audit of the Office of Justice Programs Bureau of
Justice Assistance Grant Awarded
to Carroll County,
New Hampshire



AUDIT DIVISION

21-027

JANUARY 2021



Executive Summary

Audit of the Office of Justice Programs Bureau of Justice Assistance Grant Awarded to Carroll County, New Hampshire

Objectives

The Department of Justice Office of Justice Programs (OJP) awarded Carroll County a Bureau of Justice Assistance (BJA) grant totaling \$200,000 under the Justice and Mental Health Collaboration Program: Implementation and Expansion. 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 Carroll County demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded that Carroll County demonstrated adequate progress towards achieving the award's stated goals and objectives, and that required performance reports were generally accurate. However, we identified some grant-funded charges for travel that were not fully supported, and issues related to the tracking and reporting of Carroll County's local match requirement.

Recommendations

Our report contains three recommendations for OJP to ensure Carroll County is in compliance with grant management requirements. We requested a response to our draft report from OJP and Carroll County, which can be found in Appendices 2 and 3, respectively. Our analysis of those responses is included in Appendix 4.

Audit Results

The purpose of the OJP BJA grant we reviewed was to implement and expand Carroll County's Reentry Project, which provided treatment, intervention, and other services to offenders at high risk of recidivism due to substance abuse and co-occurring mental health issues. The project period for the grant was October 2017 through September 2020. As of July 24, 2020, Carroll County had drawn down \$178,653 of the total grant funds awarded.

Program Goals and Accomplishments - We determined that Carroll County demonstrated adequate progress towards meeting award goals and objectives, and that information reported in the required progress reports was accurate.

Travel and Other Costs - We found that Carroll County did not retain documentation to sufficiently support a portion of its travel costs. Although the amount identified was not significant, the lack of sufficient support of travel costs demonstrate a lapse in controls in ensuring that the costs were allowable and supported.

Matching - While we determined Carroll County met its local match requirement, we found it did not separately track the timing and amounts of its match expenditures throughout the grant period.

Federal Financial Reporting - We determined that the amounts reported for its required match were not supported by costs incurred during each of the quarters reported.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
BUREAU OF JUSTICE ASSISTANCE GRANT AWARDED TO
CARROLL COUNTY, NEW HAMPSHIRE**

TABLE OF CONTENTS

INTRODUCTION	1
The Grantee	1
OIG Audit Approach	1
AUDIT RESULTS.....	3
Program Performance and Accomplishments	3
Program Goals and Objectives	3
Required Performance Reports.....	3
Grant Financial Management	4
Grant Expenditures	4
Travel and Other Costs	4
Contractual Costs.....	5
Matching Costs	5
Budget Management and Control	5
Drawdowns	5
Federal Financial Reports	6
CONCLUSION AND RECOMMENDATIONS.....	7
APPENDIX 1: OBJECTIVES, SCOPE, AND METHODOLOGY	8
APPENDIX 2: OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE DRAFT AUDIT REPORT	10
APPENDIX 3: CARROLL COUNTY'S RESPONSE TO THE DRAFT AUDIT REPORT	14
APPENDIX 4: OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE AUDIT REPORT	15

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
BUREAU OF JUSTICE ASSISTANCE GRANT AWARDED TO
CARROLL COUNTY, NEW HAMPSHIRE
INTRODUCTION**

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of a grant awarded by the Office of Justice Programs, Bureau of Justice Assistance, to Carroll County, located in New Hampshire. Carroll County was awarded grant 2017-MO-BX-0001, totaling \$200,000, as shown in Table 1. This grant was awarded through the Justice and Mental Health Collaboration Program: Implementation and Expansion.

**Table 1
Grants Awarded to Carroll County**

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2017-MO-BX-0001	OJP	09/20/17	10/01/17	09/31/20	\$200,000
Total:					\$200,000

Source: Office of Justice Programs – Grants Management System

Funding through the Justice and Mental Health Collaboration Program: Implementation and Expansion, is intended to support innovative cross-system collaboration for individuals with mental illnesses, or co-occurring mental health and substance abuse disorders, who come into contact with the justice system. The program seeks to increase public safety by facilitating collaboration among the criminal justice and mental health and substance abuse treatment systems to increase access to mental health and other treatment services for individuals with mental illnesses or co-occurring mental health and substance abuse disorders.

The Grantee

Carroll County is located in the center of New Hampshire, with a population of 48,910. The Justice and Mental Health Collaboration Program grant funded Carroll County’s implementation and expansion of their Reentry Project. The Reentry Project was a program managed by the Carroll County Department of Corrections (CCDOC). The goal of the program was to provide mental health and substance abuse treatment to offenders at high risk of recidivism, from the time of entry into the system, to post release services as the offender reenters the community. As part of its reentry program, CCDOC partnered with several agencies to augment its programming, including the New Hampshire Department of Health and Human Services, New Hampshire Employment Security, New Hampshire Probation and Parole, and several other local agencies.

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 Carroll County 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 DOJ Grants Financial Guide and the award documents contain the primary criteria we applied during the audit.

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.

AUDIT RESULTS

Program Performance and Accomplishments

We reviewed required performance reports, interviewed Carroll County officials and contractors working with the grantee, and reviewed grant documentation to determine whether Carroll County demonstrated adequate progress towards achieving program goals and objectives. We also reviewed Progress Reports to determine if the required reports were timely and accurate.

Program Goals and Objectives

The overall goal of Grant Number 2017-MO-BX-0001 was to fully implement and expand Carroll County's Re-entry Program, providing treatment intervention and an array of services to offenders at high risk of recidivism due to substance abuse and co-occurring mental health issues, from the points of entry into the system to post release services as the offender reentered the community. Carroll County intended to serve 90 men and women, over the 2-year grant period, by providing intensive treatments and aftercare services.

To achieve its goal, Carroll County contracted with a service provider to provide support services, including assistance with the design and development of the clinical services infrastructure, which included assessment, treatment, and referral protocols, as well as development of data and evaluation tools for the grant. Carroll County also contracted with another agency to provide specialized training for Carroll County staff, as well as clinical services for the target population.

Based on our review, we found no indications that Carroll County was not adequately achieving the stated goals and objectives of the grant. According to Carroll County, as a result of the program, it recognized a 22 percent reduction in recidivism for those who were one year out of the CCDOC. At the time of our audit, Carroll County was working on completing a sustainability plan with its County Commissioners, for furtherance of the program. However, CCDOC staff noted that progress was impacted by the ongoing COVID-19 pandemic.

Required Performance Reports

According to the DOJ Grants Financial Guide, funding recipients should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in a program solicitation. In order to verify the information detailed in Carroll County's progress reports, we judgmentally selected a sample of five performance measures from the two most recently submitted progress reports. During our testing, we did not identify any instances where the accomplishments described in the required reports did not match the supporting documentation and were reasonably concluded.

Grant Financial Management

According to the DOJ Grants Financial Guide, grant recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. To assess Carroll County's financial management of the grants covered by this audit, we conducted interviews with financial staff, examined policies and procedures, and inspected grant documents to determine whether Carroll County adequately safeguards the grant funds we audited. We also reviewed Carroll County's Single Audit Reports for 2017 and 2018, which cover Carroll County, to identify internal control weaknesses and significant non-compliance issues related to federal awards. Finally, we performed testing in the areas that were relevant for the management of this grant, as discussed throughout this report. Based on our review, we did not identify significant concerns related to grant financial management.

Grant Expenditures

For Grant Number 2017-MO-BX-0001, Carroll County's approved budget included travel and other costs, contractual, and personnel budget categories. Additionally, Carroll County was required to expend \$50,000 in local matching funds for the grant program, which represent a 20 percent local match. In the approved budget, Carroll County exceeded the required amount by \$2,500, resulting in a total match of \$52,500.

To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions. We tested 67 transactions totaling \$182,403, or 91 percent of the awarded federal funds. We reviewed documentation, accounting records, and performed verification testing related to the grant expenditures. The following sections describe the results of that testing.

Travel and Other Costs

Carroll County charged a total of \$3,436 for travel and other costs. We reviewed all eight related transactions to determine whether the expenditures were allowable, supported, and properly allocated to the award. We identified issues related to two travel-related expenditures where Carroll County was not able to provide supporting documentation for one credit card transaction totaling \$943. We also identified a total of \$222 in per diem charges that exceeded the federal per diem rate by \$38. While the total amount of \$981 was not significant and will not be treated as questioned costs, the larger concern is the lack of adequate controls to ensure all travel-related expenditures are allowable and adequately supported. Therefore, we recommend OJP work with Carroll County to update its travel policies and procedures to ensure all travel expenditures are allowable and adequately supported.

Contractual Costs

Carroll County charged a total of \$182,403 in contractual costs to the grant for interventions, treatment, and case management services, as well as the development, monitoring, and evaluation of performance outcome measures. We reviewed 62 contractual transactions and determined that the costs were allowable, supported, and properly allocated to the award.

Matching Costs

Matching costs are the non-federal recipient's share of the total project costs. As a part of the grant award, Carroll County was required to provide a 20 percent local match of the federal award. In its approved budget, Carroll County proposed exceeding that match requirement by \$2,500, resulting in a match requirement of \$52,250. Carroll County intended to use local funds to meet its match requirement through charging a portion of the grant's Director of Programs personnel costs. We reviewed payroll records and determined that it appeared that Carroll County met its match requirement through payments to the Director of Programs position. However, we found that Carroll County did not separately track the timing and amounts of its match expenditures as those payments were made. As discussed further in the *Federal Financial Reports* section of this report, the local match amounts contributed by Carroll County should have been documented as the costs were incurred, documenting the time and amounts of the match contributions. Instead, Carroll County did not identify specifically its local match contributions beyond including the total amounts within its financial reports submitted on a quarterly basis. We recommend OJP work with Carroll County to implement grant accounting policies and procedures to ensure the timing and amounts of match costs are appropriately tracked.

Budget Management and Control

According to the DOJ Grants Financial Guide, recipients are 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, recipient must initiate a Grant Adjustment Notice 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 Carroll County transferred funds among budget categories in excess of 10 percent. We determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent.

Drawdowns

According to the DOJ Grants Financial Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding

agency. Between March 2018 and July 2020, Carroll County made nine drawdowns, totaling \$178,653.

To assess whether Carroll County managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records. Based on our testing, Carroll County requested drawdowns only as reimbursements, and we did not identify significant deficiencies related to the recipient's process for developing drawdown requests.

Federal Financial Reports

According to the DOJ Grants Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each Federal Financial Report (FFR), as well as cumulative expenditures. To determine whether Carroll County submitted accurate FFRs, we compared the nine most recent reports to Carroll County's accounting records for the grant. We found that the reported match amounts were not supported by actual expenditures. As described in the Match Costs section of this report, Carroll County intended to use local funds to meet its match requirement through personnel costs, timed at a rate of 50 percent of the yearly salary for the Director of Programs. We found that the FFRs were the only records demonstrating the timing of match contributions, and we found that the amounts reported were not specifically supported by payroll costs incurred or paid in each of the quarters reported. The timing of the amounts also did not align with Carroll County's plan for allocating personnel costs to the grant, as approved in its budget.

As a result, we recommend OJP ensures Carroll County implements federal financial reporting policies and procedures to ensure local match expenditures are accurately reported.

CONCLUSION AND RECOMMENDATIONS

As a result of our audit testing, we found that Carroll County demonstrated adequate progress towards achieving the grant's stated goals and objectives but did not adhere to all of the grant requirements we tested. We did not identify significant issues regarding Carroll County's program performance, progress reports, contract costs, or drawdown requests. However, we found that Carroll County did not comply with the award conditions related to: (1) travel and other costs, (2) its match requirement, and (3) financial reporting. Specifically, Carroll County did not retain sufficient supporting documentation for a portion of its travel costs. Carroll County also did not support its matching costs with specific payroll data. Lastly, the match amounts reported on its FFRs were not supported by payroll costs incurred or paid in each of the quarters reported.

We provide three recommendations to Carroll County to address these deficiencies.

We recommend that OJP:

1. Work with Carroll County to update its travel policies and procedures to ensure all travel expenditures are allowable and adequately supported.
2. Work with Carroll County to implement grant accounting policies and procedures to ensure the timing and amounts of match costs are adequately tracked.
3. Ensures Carroll County implements federal financial reporting policies and procedures to ensure local match expenditures are accurately reported.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

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 Carroll County 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.

Scope and Methodology

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 Office of Justice Programs (OJP) grants awarded to Carroll County, New Hampshire, Grant Number 2017-MO-BX-0001, totaling \$200,000. As of July 24, 2020, Carroll County had drawn down \$178,653 of the total grant funds awarded. Our audit concentrated on, but was not limited to the period of October 1, 2017, through August 25, 2020, the last day of our audit work. As a result of the COVID-19 pandemic response, we performed our audit fieldwork exclusively in a remote manner.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of Carroll County's activities related to the audited grants. We performed sample-based audit testing for grant expenditures, including travel and other costs, contractual, personnel, as well as matching cost, financial reports, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grant reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The DOJ Grants Financial Guide 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 Carroll County'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 were verified with documentation from other sources.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of Carroll County to provide assurance on its internal control structure as a whole. Carroll County management is responsible for the establishment and maintenance of internal controls in accordance with 2 C.F.R. §200. Because we do not express an opinion on Carroll County’s internal control structure as a whole, we offer this statement solely for the information and use of Carroll County and OJP.¹

In planning and performing our audit, we identified the following internal control components and underlying internal control principles as significant to the audit objectives:

Internal Control Components & Principles Significant to the Audit Objectives	
Control Activity Principles	
	Management should design control activities to achieve objectives and respond to risks.
	Management should design the entity’s information system and related control activities to achieve objectives and respond to risks.
	Management should implement control activities through policies.
Information & Communication Principles	
	Management should use quality information to achieve the entity’s objectives.

We assessed the operating effectiveness of these internal controls and did not identify any deficiencies that we believe could affect Carroll County’s ability to correctly state financial or performance information, and to ensure compliance with laws and regulations. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

¹ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

**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

December 22, 2020

MEMORANDUM TO: Thomas O. Puerzer
Regional Audit Manager
Philadelphia Regional Audit Office
Office of the Inspector General

FROM: Ralph E. Martin
Director *Ralph E. Martin*

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Bureau of Justice Assistance Grant Awarded to Carroll County, New Hampshire*

This memorandum is in reference to your correspondence, dated December 3, 2020, transmitting the above-referenced draft audit report for Carroll County. We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **three** recommendations and **no** questioned costs. The following is 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 work with Carroll County to update its travel policies and procedures to ensure all travel expenditures are allowable and adequately supported.**

OJP agrees with this recommendation. Carroll County stated in its response, dated December 10, 2020, that it had updated its travel policy to comply with Federal guidelines. However, Carroll County did not provide a copy of the updated policy with its response. Accordingly, we will coordinate with Carroll County to obtain a copy of its updated and implemented policies and procedures, for ensuring that all travel-related expenditures are allowable and adequately supported; and the supporting documentation is maintained for future auditing purposes.

2. **We recommend that OJP work with Carroll County to implement grant accounting policies and procedures to ensure the timing and amounts of match costs are adequately tracked.**

OJP agrees with this recommendation. Carroll County stated in its response, dated December 10, 2020, that staff now complete a monthly form to document the hours staff work on a project, which would then be provided to its Finance Director each month for reporting payroll expenses. However, Carroll County did not state that its policies and procedures have been updated to capture this change in process. Accordingly, we will coordinate with Carroll County to obtain a copy of written policies and procedures, developed and implemented, to ensure that the timing and amounts of matching expenditures are separately tracked in its accounting system.

3. **We recommend that OJP ensures Carroll County implements federal financial reporting policies and procedures to ensure local match expenditures are accurately reported.**

OJP agrees with this recommendation. Carroll County stated in its response, dated December 10, 2020, that staff now complete a monthly form to document the hours staff work on a project, which would then be provided to its Finance Director each month for reporting payroll expenses. However, Carroll County did not state that its policies and procedures have been updated to capture this change in process. Accordingly, we will coordinate with Carroll County to obtain a copy of written policies and procedures, developed and implemented, to ensure that matching expenditures are accurately reported on the Federal Financial Reports; and the supporting documentation is maintained for future auditing purposes.

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: Katharine T. Sullivan
Principal Deputy Assistant Attorney General

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

Kendel Ehrlich
Acting Director
Bureau of Justice Assistance

Kristen Mahoney
Deputy Director, Programs
Bureau of Justice Assistance

cc: Jonathan Faley
Associate Deputy Director
Bureau of Justice Assistance

Brenda Worthington
Associate Deputy Director
Bureau of Justice Assistance

Michael Bottner
Budget Director
Bureau of Justice Assistance

Amanda LoCicero
Budget Analyst
Bureau of Justice Assistance

Erich Dietrich
Supervisory Grant Management Specialist
Bureau of Justice Assistance

Tammy L. Lovill
Grant Management Specialist
Bureau of Justice Assistance

Charlotte Grzebien
Deputy General Counsel

Phillip K. Merkle
Acting Director
Office of Communications

Leigh A. Benda
Chief Financial Officer

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

Joanne M. Suttington
Associate Chief Financial Officer
Finance, Accounting, and Analysis Division
Office of the Chief Financial Officer

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

Louise Duhamel
Acting Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

OJP Executive Secretariat
Control Number IT20201207163357

**CARROLL COUNTY'S RESPONSE
TO THE DRAFT AUDIT REPORT²**

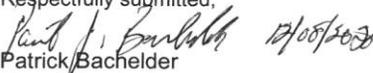
December 10th, 2020
Thomas O. Puerzer
Regional Audit Manager Philadelphia Regional Audit Office
Office of the Inspector General

Dear Mr. Puzer, we are in receipt of the finding of the audit report dated December 4th 2020. We have reviewed each of the finding on page 7 which include the following:

1. Work with Carroll County to update its travel policies and procedures to ensure all travel expenditures are allowable and adequately supported.
2. Work with Carroll County to implement grant accounting policies and procedures to ensure the timing and amounts of match costs are adequately tracked.
3. Ensures Carroll County implements federal financial reporting policies and procedures to ensure local match expenditures are accurately reported.

Carroll County DOC Responses: we agree and have implemented the following procedures to ensure compliance with this grant and future grants in Carroll they include the following.

1. **Travel Policies** :Carroll county has updated their policy on travel to specifically include the following:
Carroll County will comply with federal per diem policy by following the government rate for hotels and per diem. The county will review the federal per diem rate for the area/ city that staff are traveling to. Carroll County will ensure that they reimburse staff at or below the per diem rate for hotels, and will follow the per diem rate for the community, Carroll County still will reimburse staff for 75% of the per diem rate for travels days to and from the location and 100% for days on site . For example, if the per diem rate is \$100 per day staff would be reimbursed \$75 per day for travel to and from a conference our and \$100 for onsite days.
2. **Documentation of in-kind match** The Carrol County Department of corrections will have staff complete a monthly form(see attached) documented hours for staff members assigned to a project, This information will be provided to the county Finance Director each month which will be used for reporting of such expenses in the Just grants monthly. Copies will be maintained at the DOC in the event of an audit.
3. **Financial reporting of match expenditures** **Financial reporting of match expenditures** Upon receipt of the monthly documentation of hours for staff assigned, the documentation will be retained for utilization in the monthly or quarterly (whichever frequency is required) financial reporting. The finance director will utilize these reports to reporting in the just grants system and ASAP. The finance director has already met with the DOC superintendent and staff to discuss these protocols and are ready to implement this with the upcoming grants.

Respectfully submitted,

Patrick Bachelder
Superintendent
Carroll County Department of Corrections

² Attachments referenced in this response are not included in this final report.

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

The Department of Justice Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP) and Carroll County. OJP's response is incorporated in Appendix 2 and Carroll County's response is incorporated in Appendix 3 of this final report. In response to our draft report, OJP agreed with our recommendations and, as a result, the status of the audit report is resolved. In its response, Carroll County agreed with the recommendations. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Work with Carroll County to update its travel policies and procedures to ensure all travel expenditures are allowable and adequately supported.**

Resolved. OJP agreed with our recommendation. OJP stated that although Carroll County responded that its travel policy was updated, the updated policy was not provided. OJP stated that it would coordinate with Carroll County to obtain a copy of the updated policy and procedures.

Carroll County agreed with the recommendation and stated that it has updated its travel policy to comply with federal per diem rates, notably to ensure the appropriate rate of 75% of the daily per diem rate is reimbursed for the first and last day of travel.

This recommendation can be closed when we received documentation demonstrating that Carroll County has updated and implemented its policies and procedures to ensure that all grant-related travel expenditures are allowable and adequately supported.

- 2. Work with Carroll County to implement grant accounting policies and procedure to ensure the timing and amounts of match cost are adequately tracked.**

Resolved. OJP agreed with our recommendation. OJP stated that it will coordinate with Carroll County to obtain a written copy of its policies and procedures, developed and implemented, to ensure that the timing and amounts of matching expenditures are separately tracked within Carroll County's accounting system.

Carroll County agreed with our recommendation and stated in its response that it will have Department of Corrections staff complete a monthly form documenting the hours for staff members assigned to a project. The information will be provided to the county Finance Director on a monthly

basis and will be used for reporting the related expenses to OJP via the Just Grants reporting system. Additionally, copies of the forms will be retained.

The recommendation can be closed when we receive documentation demonstrating Carroll County has implemented policies and procedures to ensure the timing and accounting of match costs are adequately tracked.

3. **Ensures Carroll County implements federal financial reporting policies and procedures to ensure local match expenditures are accurately reported.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Carroll County to obtain a copy of policies and procedures that, when implemented, should ensure that matching expenditures are accurately reported on Federal Financial Reports. The policies should also address the retention of supporting documentation for audit purposes.

Carroll County agreed with our recommendation and stated that documentation of hours for staff assigned to grant-related projects would be maintained and used by the Finance Director for grant reporting purposes.

The recommendation can be closed when we receive documentation demonstrating Carroll County has implemented policies and procedures to ensure local match expenditures are accurately reported.