



Audit of the Office of Justice Programs Grants
Awarded to the United States Center for SafeSport,
Denver, Colorado



AUDIT DIVISION

23-032

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EXECUTIVE SUMMARY

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Objectives

The Office of Justice Programs' (OJP) Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering and Tracking (SMART) awarded the United States Center for SafeSport (SafeSport) two grants totaling \$9,079,601 under the Keep Young Athletes Safe grant program. According to its 2021 Annual Report, SafeSport's annual revenue totaled \$24.53 million and federal funds received by SafeSport comprised approximately 13 percent of the total revenue. Our audit did not include evaluating the overall effectiveness or strength of SafeSport's services. Rather, the audit objectives were to determine whether costs claimed under the grant awards 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.

Results in Brief

As a result of our audit, we found that SafeSport demonstrated adequate progress towards achieving the grants' stated goals and objectives. However, we identified discrepancies related to grant financial management, grant financial and performance reports, and minimum cash on hand. We also identified \$5,423 in questioned costs, which included \$5,037 in unsupported contractor and consultant costs and \$386 in unsupported travel costs. Appendix 2 of this report provides a breakdown of these costs.

Recommendations

Our report contains eight recommendations for OJP. We requested a response to our draft audit report from SafeSport and OJP, which can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5.

Audit Results

The purpose of the two OJP SMART grants we reviewed was to safeguard amateur athletes through the prevention of sexual, physical, and emotional abuse in athletic activities occurring through national governing bodies and paralympic sports organizations. The project period for the grants was from October 1, 2018, through September 30, 2024. As of April 7, 2022, SafeSport had drawn down a cumulative amount of \$6,190,768 for the two grants reviewed.

Program Goals and Accomplishments

We found that SafeSport did not maintain adequate supporting documentation for 3 of 15 reported accomplishments tested by the OIG. These accomplishments related to the number of trainings SafeSport provided, the number of entities participating in training opportunities, and the number of entities that received technical assistance from SafeSport. However, we found that SafeSport otherwise demonstrated adequate progress towards achieving the grants' stated goals and objectives.

Grant Financial Management & Reporting

Generally, we found SafeSport's financial management policies and procedures were adequate for grant management. However, we found that SafeSport did not check the System for Award Management (SAM) for new and existing employees to ensure individuals or entities paid with award funds have not been suspended or debarred. We also noted that SafeSport did not have the proper policies or guidelines to ensure SafeSport tracks expenditures by approved budget categories.

Apart from the first report submitted under the 2018 grant, we found that SafeSport's required financial reports did not match the accounting records for the grants reviewed.

Grant Expenditures & Drawdowns

We identified \$5,423 in unsupported travel and contractor and consultant costs. Lastly, For the 2018 grant, we noted 12 instances where cumulative drawdowns exceed cumulative expenditures 10 days after the date of the draw, which were not in compliance with the minimum cash on hand policy.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of two grants awarded by the Office of Justice Programs (OJP), Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering and Tracking (SMART) under the Keep Young Athletes Safe grant program to the United States Center for SafeSport (SafeSport) in Denver, Colorado. SafeSport was awarded two grants totaling \$9,079,601, as shown in Table 1. According to its 2021 Annual Report, SafeSport’s revenue totaled \$24.53 million and the federal funds received by SafeSport comprised approximately 13 percent of its total revenue.

Table 1

Grants Awarded to SafeSport

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2018-KY-B8-0001	OJP/SMART	09/29/2018	10/01/2018	09/30/2023	\$6,812,437
15PSMA-21-GG-02193-KYAS	OJP/SMART	09/29/2021	10/01/2021	09/30/2024	\$2,267,164
Total:					\$9,079,601

Source: OJP’s Grant Management System and JustGrants

In recent years, multiple reports of sexual abuse in sports have surfaced, including the sentencing of Dr. Larry Nassar for his abuse of numerous women and girls, as well as reports of sexual misconduct allegations in the Taekwondo community and allegations of sexual abuse from 19 former U.S. swimmers. Funding through the Keep Young Athlete Safe grant program furthers the DOJ’s mission by providing grant funds to entities to design and implement programs to safeguard amateur athletes through the prevention of sexual, physical, and emotional abuse in athletic activities occurring through national governing bodies and paralympic sports organizations.

The Grantee

SafeSport opened in March 2017 with the mission to make athlete well-being the centerpiece of our nation’s sports culture through abuse prevention, education, and accountability. Codified under the Protecting Young Victims from Sexual Abuse and Safe Sport Authorization Act of 2017 (The Act), SafeSport, an independent nonprofit, was granted authority to resolve abuse and misconduct reports for more than 11 million amateur athletes and was tasked with developing and enforcing policies, procedures, and training to prevent abuse and misconduct in the future. According to its website, SafeSport has provided services to sport entities on abuse prevention techniques, policies, and programs and serves as a professional and confidential place to report sexual abuse for 14 million athletes, coaches, and other participants.

OIG Audit Approach

Our audit did not include evaluating the overall effectiveness or strength of SafeSport's services, but rather 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 grants; 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 considered 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. The Schedule of Dollar-Related Findings appears in Appendix 2.

Audit Results

Program Performance and Accomplishments

We reviewed required grant documentation and interviewed grantee officials to determine whether SafeSport demonstrated adequate progress towards achieving the program goals and objectives. We also reviewed the Progress Reports (progress reports) to determine if the required reports were accurate.

Program Goals and Objectives

According to grant documentation for each award, SafeSport had four goals with objectives for each, as shown in Table 2.

Table 2

Summary of Goals for Grants Awarded to SafeSport

Award	Goal Category	Goals
<p data-bbox="224 1247 415 1272">2018-KY-B8-0001</p> <p data-bbox="180 1295 464 1352">SMART FY 18 Keep Young Athletes Safe</p> 	<p data-bbox="516 953 769 1052">Situational Prevention Approach to Safeguarding Athletes</p>	<p data-bbox="812 926 1453 1016">Develop a process-oriented Sport Situation Prevention Approach (SSPA) and implementation manual to enhance the safeguarding of amateur athletes.</p> <p data-bbox="812 1022 1453 1079">Strengthen the SSPA and manuals by utilizing a formative evaluation strategy.</p>
	<p data-bbox="516 1367 769 1392">Training and Education</p>	<p data-bbox="812 1094 1453 1213">Develop and test new training materials for sexual, physical, and emotional abuse identification, investigation, and prevention education in amateur athletic programs.</p> <p data-bbox="812 1220 1453 1310">Develop, implement, and test mandated reporter training for adult members (including coaches and administrators) of National Governing Bodies (NGBs).</p> <p data-bbox="812 1316 1453 1407">Provide ongoing, comprehensive training on abuse prevention to organizational leadership, coaches, instructors, and volunteers.</p> <p data-bbox="812 1413 1453 1533">Report allegations of sexual and physical abuse and comply with applicable state and federal reporting requirements regarding child abuse including sexual abuse.</p> <p data-bbox="812 1539 1453 1659">Develop materials for safety planning and interim measures to assist local affiliate organizations and NGBs with increasing athlete safety of involved parties during and after investigations.</p>
	<p data-bbox="516 1730 769 1787">Policy Development and Dissemination</p>	<p data-bbox="812 1682 1453 1738">Develop, maintain, and disseminate information about safeguarding amateur athletes against abuse.</p> <p data-bbox="812 1745 1453 1822">Assist in implementing training and abuse prevention policies and standards at national, statewide, and local levels.</p>

		Develop policies and standards related to safeguarding athletes from sexual, physical, and emotional abuse.
	Audit and Compliance	Oversee regular and random audits. ^a
		Develop a self-assessment tool for NGBs with a series of questions and standards to help them assess what their organization has done and still needs to do.
		Monitor and evaluate corrective actions.
<p>15PSMA-21-GG-02193-KYAS</p> <p>SMART FY 21 Keep Young Athletes Safe</p> 	Policy, Standards, and Procedures Development and Implementation	Develop and implement two policies, standards, and/or procedures to prevent abuse.
		Onboard prospective NGB candidates and support compliance to the SafeSport Code and Minor Athlete Abuse Prevention Policies (MAAPPs).
	Reporting Child Abuse	Refer 100 percent of suspected incidents of abuse of young athletes in sports reported to SafeSport to law enforcement.
	Audit and Compliance	Conduct 50 regular audits to ensure policies and procedures are followed correctly.
		Conduct 30 random audits.
		Create and deliver an audit handbook.
		Establish policies, standards, and procedures to prevent abuse to be appropriately based on the results of the random audit.
	Training and Education	Provide ongoing training on abuse and prevention to leadership, coaches, instructors, and volunteers.
		Train appropriate personnel and volunteers on prevention and reporting allegations.
		Develop one curriculum.
		Assess needs and convening NGBs to share best practices about key athlete safety trends.
		Develop and distribute communications and resources highlighting prevention strategies and SafeSport's response and resolution process.
		Develop new educational resources to prevent sexual, emotional, and physical abuse and misconduct in sport.
		Improve accessibility across educational resources, website, and all SafeSport resources.
		Present, provide leadership, and participate in at least 15 national, state, and local meetings, events, or trainings.
		Train at least 25 State Attorneys General Offices on SafeSport's prevention and response process to increase coordination of statewide resource partnerships.
Conduct ongoing training and outreach to athletes.		

^a SafeSport's Office for Audit and Compliance conducts regular (administrative) audits at the NGB's headquarters and focuses on reviewing the NGB's policies and procedures and random (event) audits that take place at an NGB's event/competition and focuses on reviewing and assessing if the NGB implemented the policies and procedures noted in the regular audit.

Source: OJP's Grant Management System and JustGrants

For each grant we selected a judgmental sample of items from SafeSport's approved award timelines relating to the goals and objectives, including eight items from Grant Number 2018-KY-B8-0001 (2018 Grant)

and four items from Grant Number 15PSMA-21-GG-02193-KYAS (2021 Grant). For each item in our sample, SafeSport officials provided documentation supporting their efforts in completing these timeline items, including training activities, conducting audits, establishing audit protocols, and convening a task force to develop screening policies. Based on the review of our sample, there were no significant indications that SafeSport was not adequately achieving the stated goals and objectives of the grants.

Required Performance Reports

According to the DOJ Grants Financial Guide, the funding recipient should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. To verify the information in progress reports, we selected a sample of performance measures from the 2 most recent reports submitted for each grant for a total sample size of 15.¹ The performance measures that were sampled included the following, also shown in Table 2.

Table 3

Summary of the SafeSport Grant Goals Sampled

2018 Grant Goals	2021 Grant Goals
Strengthen the SSPA and manuals by utilizing a formative evaluation strategy.	Conduct 30 random audits.
Develop and test new training materials for sexual, physical, and emotional abuse identification, investigation, and prevention education in amateur athletic programs.	Provide ongoing training on abuse and prevention to leadership, coaches, instructors, and volunteers.
Develop, implement, and test mandated reporter training for adult members (including coaches and administrators) of NGBs.	Train appropriate personnel and volunteers on prevention and reporting allegations.
Develop, maintain, and disseminate information about safeguarding amateur athletes against abuse.	Conduct ongoing training and outreach to athletes.
Develop policies and standards related to safeguarding athletes from sexual, physical, and emotional abuse.	
Oversee regular and random audits.	

Source: OIG Analysis

We then traced the items to supporting documentation maintained by SafeSport. We noted that SafeSport provided documentation to support 12 of the 15 accomplishments provided. The three remaining accomplishments were not adequately supported by documentation. Specifically, we found differences among: (1) the number SafeSport reported in its performance report and the number of trainings SafeSport

¹ At the time of our fieldwork, SafeSport was required to submit only one progress report under the 2021 Grant. Therefore, our sample was limited to one progress report.

provided; (2) the number of entities participating in courses provided by SafeSport's learning management system; and (3) the number of entities that received technical assistance from SafeSport. Unsupported progress report measures risks misrepresenting critical program activities and achievements to key internal and external stakeholders. We recommend that OJP ensure that SafeSport establish policies and procedures that ensure that valid and auditable sources of information are maintained to support program accomplishments in progress reports.

Grant Financial Management

According to the DOJ Grants Financial Guide, all 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 the SafeSport'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 SafeSport adequately safeguards the grant funds we audited. We also reviewed SafeSport's Single Audit Report for 2020 and 2021 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.

During our review, we found SafeSport's policies and procedures related to grant management generally appeared adequate. However, as discussed below, we found an issue with the 2018 Grant's accounting records, SafeSport's policies and procedures related to the previously identified Single Audit findings, and the System for Award Management (SAM) verification could be improved.

We also found concerns related to the SafeSport's budget management, drawdown, and Federal Financial Report (FFR) procedures.

Accounting Practices

According to the DOJ Grants Financial Guide, recipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. Additionally, recipients must have a financial management system in place that is able to record and report on the receipt, obligation, and expenditure of grant funds.

During our review of the 2018 Grant accounting records, we found SafeSport did not categorize a total of \$77,500 in fixed asset transactions as grant expenditures. We discussed this issue with SafeSport officials, who confirmed that the transactions were not entered as expenditures. Based on our discussions with SafeSport officials, our review of SafeSport policies and procedures and accounting records, we do not believe this to be a pervasive issue. As a result, we do not make a recommendation. However, we updated the accounting records to include the additional transactions in our drawdown analysis and the FFR analysis, as discussed in the Drawdowns and Federal Financial Reports sections of this report.

Single Audit

Non-federal entities that receive federal financial assistance are required to comply with the *Single Audit Act of 1984* (Single Audit Act), as amended. The Single Audit Act provides for recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. Under

2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), such entities that expend \$750,000 or more in federal funds within the entity's fiscal year must have a "single audit" performed annually covering all federal funds expended that year.²

We reviewed SafeSport's Single Audit Reports (SAR) for calendar years 2020 and 2021. Between the two SARs, we noted findings related to: (1) maintaining minimum cash on hand for drawdowns, (2) ensuring that employees were properly paid on the accrual basis, and (3) inaccurate FFRs. SafeSport officials submitted corrective action plans to formalize cash management policies, correct payroll for affected employees, and to update their policies and procedures for accruals related to federal spending for FFRs. However, we identified similar concerns during our audit regarding drawdowns and FFRs. Specifically, we found that SafeSport still had instances of drawdowns exceeding expenditures and submitted FFRs that were inaccurate. These deficiencies are discussed in more detail in the Drawdowns and Federal Financial Reports sections of this report.

System for Award Management Verification

The DOJ Grants Financial Guide requires that agencies establish and implement procedures to ensure that federal assistance is not awarded to entities that are prohibited from receiving Federal funds. Those procedures should include a SAM verification to ensure that none of the individuals or entities paid with award funds have been suspended or debarred. SAM is a central repository and database for suspension and debarment actions taken by all federal agencies and allows users to check and search entity registrations and exclusion records.

We determined that SafeSport had policies and procedures in place stating that SafeSport and contractors may not contract with or make sub-awards under covered transaction to parties that are suspended or debarred. In addition, before entering a covered transaction, SafeSport must verify that the party involved is not excluded or disqualified by searching SAM to ensure no such contractor is excluded or disqualified. However, SafeSport's policies and procedures did not encompass verifying the status of new or existing employees. A SafeSport official confirmed that SAM is not utilized to determine if new or existing employees are suspended or debarred.

To determine whether SafeSport complied with the requirement, we reviewed SAM for 81 employees, contractors, consultants, vendors, businesses, and organizations that SafeSport paid using grant funds. Based on our review, we did not identify any SafeSport employee or contractor/consultant that had been suspended or debarred. In our judgment, not assessing the debarment and suspension of employees and contractors is an internal control weakness, which could result in SafeSport paying individuals and entities that are prohibited from receiving federal funds. As a result, we recommend that OJP coordinate with SafeSport to update its policies and procedures to ensure that SAM is utilized to verify debarment and suspension for all new and existing employees, contractors, consultants, vendors, businesses, and organizations prior to being paid using federal funds.

² On December 26, 2014, the Uniform Guidance superseded OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organization. Under OMB Circular A-133, which affected all audits of fiscal years beginning before December 26, 2014, the audit threshold was \$500,000.

Grant Expenditures

For the 2018 Grant and the 2021 Grant, SafeSport's approved budgets included personnel, fringe benefits, travel, supplies, contractual, and other costs. Between October 2018 and March 2022, SafeSport expended \$6,680,542, including \$4,578,113 in personnel and fringe benefit costs, \$1,029,789 in contractor and consultant costs, \$130,256 in travel costs, and \$942,384 in other costs. 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. Specifically, we judgmentally selected \$374,053 in personnel and fringe benefit transactions associated with three non-consecutive payroll periods, and 210 expense transactions totaling \$1,298,594. We reviewed documentation, accounting records, and performed verification testing related to these grant expenditures. As a result of our analysis, we identified \$5,423 in questioned costs, which included \$5,037 in unsupported contractor and consultant costs, and \$386 in unsupported travel costs.³ The following sections describe the results of our testing.

Personnel and Fringe Benefit Costs

As part of our testing, we reviewed 97 personnel and fringe benefit transactions, totaling \$374,053 over three non-consecutive months, to determine if labor charges were correctly and accurately recorded, and properly authorized and allocated to the grants. Based on our review, we found no material issues with SafeSport's personnel and fringe benefit costs charged to the grants.

Contractor and Consultant Costs

According to the DOJ Grants Financial Guide, when obtaining services from consultants and contractors, grantees should ensure that appropriate processes are used to obtain those services through full and open competition, or in the case of a sole source procurement, that adequate justification for the sole source is documented. In addition, the services or functions performed by the contractors and consultants should be appropriately supported with documentation demonstrating the work performed, in the form of time and effort reports.

During the scope of our audit, October 2018 through March 2022, we found that SafeSport charged \$1,029,789 in contractor and consultant costs under the 2018 Grant. These expenditures consisted of contractor fees, marketing, and contractor travel. As a result, as part of our sample, we reviewed 96 transactions totaling \$525,076. Based on our testing, we identified two expenditures totaling \$5,037 that were not supported by time and effort reports as required.⁴ According to the DOJ Grants Financial Guide, contractors are required to submit time and effort reports to support contract expenditures. Therefore, we recommend that OJP remedy the \$5,037 in unsupported contractor and consultant questioned costs.

Travel Costs

During our audit period for the grants, SafeSport charged \$130,256 in travel costs. As part of our sample, we reviewed 78 transactions totaling \$20,773. Based on our review, we found two expenditures for airfare

³ Throughout this report, differences in the total amounts are due to rounding. The sum of individual numbers prior to rounding may differ from the sum of the individual numbers rounded.

⁴ Based on our testing, we determined that these two expenses were made early during the 2018 grant, and SafeSport did ensure that contractors provided time and effort reports for the remaining expenditures tested.

totaling \$386 that SafeSport did not provide supporting documentation. We also found four unallowable expenditures totaling \$951. Specifically, we found two airfare expenditures totaling \$863 which were canceled, and credits were given. However, when we traced the use of these credits, we could not determine based on the documentation provided by SafeSport if the credits were used for grant-related travel. Additionally, we found two expenditures totaling \$87 for which SafeSport utilized an incorrect per diem amount when calculating reimbursement for meals and lodging. Due to the immateriality of the unallowable expenditures, we did not question the \$951. However, we recommend that OJP ensure that SafeSport update the policies and procedures to include controls related to credits for federally paid travel. In addition, based on our testing, we recommend that OJP remedy the \$386 in unsupported travel questioned costs.⁵

Other Costs

We also found SafeSport charged the grants a total of \$942,384 for technology, supplies, rent, printing and postage, and professional education. As part of our sampled expenditures, we reviewed invoices and supporting documentation for 36 transactions totaling \$752,745, and found no material issues with SafeSport's technology, supplies, and other costs charged to the grants.

Budget Management and Control

According to the DOJ Grants Financial Guide, the 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. The DOJ Grants Financial Guide also states, 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 for the 2018 Grant and 2021 Grant to determine whether SafeSport transferred funds among budget categories in excess of 10 percent. For the 2021 Grant, we determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent.

For the 2018 Grant, we initially found that spending between budget categories was more than the 10 percent total allowed per the DOJ Grants Financial Guide. As mentioned previously, we identified 25 transactions where the budget category listed within the accounting records did not correspond with the OJP approved budget. We selected these 25 transactions as part of our transaction testing and found the transactions had not been properly classified. After updating the classifications, we conducted our analysis again and determined that the 10-percent requirements were met.

The DOJ Grants Financial Guide states that in order to properly account for all awards, recipients should establish and maintain program accounts which will enable separate identification and accounting for funds applied to each budget category included within the applied award. SafeSport officials concurred with this issue and stated that they believe the new accounting system will more clearly categorize expenses. However, SafeSport officials did not provide additional documentation demonstrating this new accounting

⁵ The \$386 in unsupported travel questioned costs combined with the \$5,037 in unsupported contractor and consultant questioned costs total \$5,423.

system was implemented. Therefore, we recommend that OJP coordinate with SafeSport to establish policies and procedures that ensure grant accounting systems have budget control capabilities that ensure expenditures can be compared to budgeted amounts for each award.

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. As of April 7, 2022, SafeSport had drawn down a total of \$6.19 million from the grants in our scope.

To assess whether SafeSport managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records.⁶ For the 2021 Grant, we did not note any instances where cumulative drawdowns exceeded cumulative expenditures at the date of the drawdown. For the 2018 Grant, we found that cumulative drawdowns did not exceed cumulative expenditures as of the last drawdown on March 3, 2022.

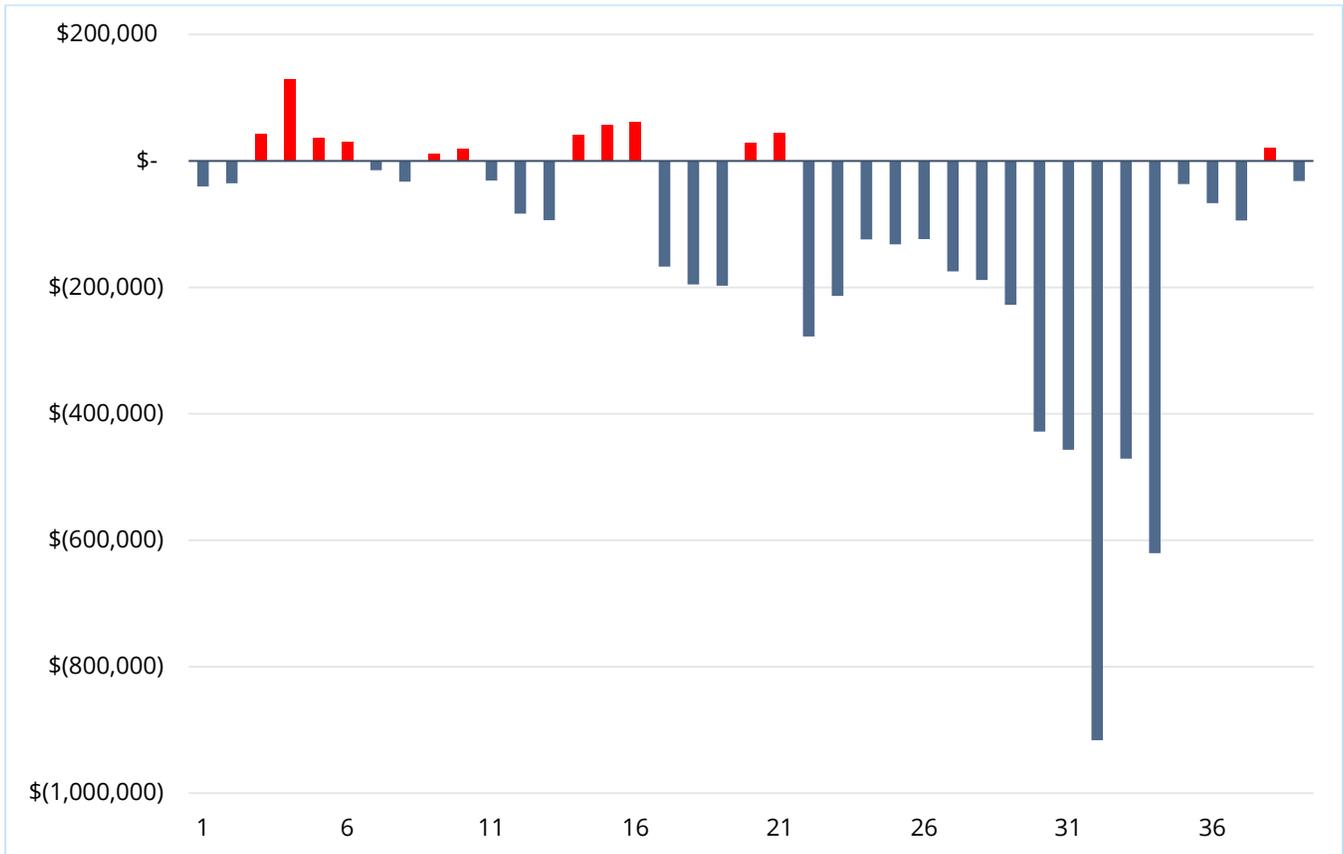
Further, the DOJ Grants Financial Guide states that organizations should request funds based upon immediate disbursement/reimbursement requirements and should be timed to ensure that federal cash on hand is the minimum needed for disbursements/reimbursements to be made immediately or within 10 days. To this end, we compared expenditures up to 10 days after the date of drawdown to ensure SafeSport was in compliance with the minimum amount of cash on hand requirement. As shown in Figure 1 below, we found 12 of the 39 drawdowns made in the 2018 Grant, or 31 percent of the number of drawdowns, resulted in SafeSport having more federal cash-on-hand for more than 10 days after drawdown receipt.

⁶ As noted in the Issue Identified with Accounting Record section of this report, this analysis was updated to include the \$77,500 in expenses based on explanations from SafeSport officials. Although we updated our analysis, it did not affect the conclusions of our analysis.

Figure 1

Difference between Cumulative Drawdowns and Cumulative Expenditures

After the 10 Days for the 2018 Grant 2018-KY-B8-0001



Note: Anything below \$0 signifies that SafeSport was in compliance with the requirement. Anything above \$0 indicates that SafeSport was not in compliance of the 10 days.

Source: OJP's Grant Management System, JustGrants, and SafeSport Accounting Records

We reviewed SafeSport's policies and procedures and discussed the process of calculating drawdowns with SafeSport officials and determined that SafeSport officials review a year-to-date report of all grant-related non-personnel expenses as well as calculations of monthly personnel expenses, and then calculated the amount to draw down based on the new expenditures that were incurred and paid since the date of the last drawdown through the 15th of the following month. In effect, SafeSport completes its drawdowns based on a combination of reimbursement and estimated future costs. As noted previously, since SafeSport's cumulative expenditures exceeded cumulative drawdowns at the date of the last drawdown, we are not taking exception to the dollar value of these 12 instances. However, based on our analysis, a similar finding previously identified in SafeSport's 2020 SAR, and to reduce the risk of SafeSport drawing down and carrying excess funds, we recommend that OJP coordinate with SafeSport to ensure that drawdowns are timed to

ensure that federal cash on hand is the minimum needed for disbursement/reimbursement of grant expenditures.

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 financial report as well as cumulative expenditures. The DOJ Grants Financial Guide also states that actual funds spent should be reported and not the drawdown amounts.

To determine whether SafeSport submitted accurate FFRs, we compared all the FFRs for both grants through March 2022 to the accounting records and found that only the first FFR of the 2018 grant matched the accounting records.⁷ We found that SafeSport used the drawdown amount to determine the total quarterly amount to report on the FFRs we reviewed. In addition, the former SafeSport Chief Operating and Financial Officer explained there were many reasons why the amounts did not match and, as such, SafeSport submitted revised FFRs for each grant. Specifically, SafeSport: (1) did not code the drawdowns correctly; (2) moved to a new accounting system and did not report expenditures correctly; and (3) due to the accrual basis, the quarterly amounts in the accounting records do not agree to the monthly drawdown amounts. After comparing the updated 2021 Grant FFR amounts to SafeSport's accounting records, we found overall the FFRs matched the accounting records. However, when we compared the updated 2018 Grant FFR amounts to SafeSport's accounting records, we still found that the FFRs were reporting \$4,655 less than the accounting records.

As a result of the FFR analysis, as well as the finding from the 2021 SAR, we recommend that OJP ensure SafeSport update the policies and procedures to ensure that FFRs are not based on drawdown amounts, but the actual and obligated expenses. In addition, we recommend that OJP require SafeSport to correct the discrepancy on the subsequent FFR.

⁷ As discussed previously, we found \$77,500 worth of expenses that were not included into the accounting records. After learning this, we updated our FFR analysis with those additional expenses and still found, except for one, all the FFRs did not match the accounting records.

Conclusion and Recommendations

As a result of our audit testing, we concluded that SafeSport did not adhere to all of the grant requirements we tested and did not maintain adequate supporting documentation for 3 of 15 reported accomplishments tested by OIG. However, we found that SafeSport otherwise demonstrated adequate progress towards achieving the grants' stated goals and objectives. In particular, we found that SafeSport did not comply with essential award conditions related to grant financial management, grant financial and performance reports, and minimum cash on hand. We also identified: (1) \$5,037 in unsupported contractor and consultant costs, and (2) \$386 in unsupported travel costs. We provide eight recommendations to OJP to address these deficiencies and remedy \$5,423 in dollar-related findings.

We recommend that OJP:

1. Ensure that SafeSport establish policies and procedures that ensure that valid and auditable sources of information are maintained to support program accomplishments in progress reports.
2. Coordinate with SafeSport to update its policies and procedures to ensure that SAM is utilized to verify debarment and suspension for all new and existing employees, contractors, consultants, vendors, businesses, and organizations prior to being paid using federal funds.
3. Ensure that SafeSport update the policies and procedures to include controls related to credits for federally paid travel.
4. Remedy \$5,423 in unsupported questioned costs associated with the following issues:
 - a. \$5,037 in unsupported contractor and consultant questioned costs.
 - b. \$386 in unsupported travel questioned costs.
5. Coordinate with SafeSport to establish policies and procedures that ensure grant accounting systems have budget control capabilities that ensure expenditures can be compared to budgeted amounts for each award.
6. Coordinate with SafeSport to ensure that drawdowns are timed to ensure that federal cash on hand is the minimum needed for disbursement/reimbursement of grant expenditures.
7. Ensure SafeSport update the policies and procedures to ensure that FFRs are not based on drawdown amounts, but the actual and obligated expenses.
8. Require SafeSport to correct the discrepancy on the subsequent FFR.

APPENDIX 1: 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 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. Our audit did not include evaluating the overall effectiveness or strength of SafeSport's services in general.

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 the Office of Justice Programs' grants awarded to the United States Center for SafeSport (SafeSport) under the FY 2018 and FY 2021 Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering and Tracking (SMART) Keep Young Athletes Safe grant program. SafeSport was awarded \$6,812,437 under Grant Number 2018-KY-B8-0001 and \$2,267,164 under Grant Number 15PSMA-21-GG-02193-KYAS, totaling \$9,079,601. As of April 7, 2022, SafeSport had drawn down \$6,190,768 from the two audited grants. Our audit concentrated on, but was not limited to October 1, 2018, the award date for Grant Number 2018-KY-B8-0001, through September 2022, the last day of our audit work.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of SafeSport's activities related to the audited grants. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges and progress 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 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 Grant Management System and DOJ's Justice Grants System, as well as SafeSport'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 SafeSport to provide assurance on its internal control structure

as a whole. SafeSport 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 the SafeSport's internal control structure as a whole, we offer this statement solely for the information and use of SafeSport and OJP.⁸

We assessed the design, implementation, and operating effectiveness of the internal control principles related to SafeSport's control activities and information and communication. Specifically, we reviewed the established policies and procedures pertaining to aspects of award performance and financial management. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to those internal control components and underlying principles that we found significant to the objectives of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

⁸ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: Schedule of Dollar-Related Findings

Description	Grant No.	Amount	Page
Questioned Costs⁹:			
Unsupported Contractor/Consultant Costs	2018-KY-B8-0001	\$5,037	8
Unsupported Travel Costs	2018-KY-B8-0001	<u>386</u>	8
Unsupported Costs		\$5,423	
TOTAL DOLLAR-RELATED FINDINGS		<u>\$5,423</u>	

⁹ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; 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, the provision of supporting documentation, or contract ratification, where appropriate.

APPENDIX 3: United States Center for SafeSport Response to the Draft Report¹⁰

December 20, 2022

Kimberly L. Rice
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
1120 Lincoln Street
Denver, CO 80203

VIA Electronic Mail at: kimberly.l.rice@usdoj.gov

Dear Ms. Rice:

Thank you for the opportunity to review and respond to the recommendations outlined in the Draft Audit Report of the Office of Justice Programs Keep Young Athletes Safe grant program (Award Numbers: 2018-KY-B8-0001 and 15PSMA-21-GG-021930-KYAS), awarded to The United States Center for SafeSport (The Center). The Center welcomes the opportunity to respond by addressing the areas of improvement identified in the report with guidance from your office.

Please accept the following responses to the eight recommendations:

- 1. Ensure that SafeSport establish policies and procedures that ensure that valid and auditable sources of information are maintained to support program accomplishments in progress reports.**

The Center does not concur with this recommendation. The Center keeps valid and auditable sources of information which support program accomplishments in progress reports; we disagree that three of the fifteen accomplishments tested did not have adequate supporting documentation. *Please see attachments 1, 2, and 3*, which were provided during fieldwork. To enhance understanding of the Center's progress report processes, the Center will add specific language to its Grant Management Policy Manual.

- 2. Coordinate with SafeSport to update its policies and procedures to ensure that SAM is utilized to verify debarment and suspension for all new and existing employees, contractors, consultants, vendors, businesses, and organizations prior to being paid using federal funds.**

The Center concurs with this recommendation. The Center does have a policy in place which requires a System for Award Management (SAM) exclusion search for any contractor receiving payment from federal funds. From 2018-2022, the Center conducted a SAM exclusion search on every contractor and consultant that completed services for the Center. The Center will add in specific language to its existing policy to ensure that all Center employees charging time to a federal grant are included in a SAM search. The Center, after receiving this recommendation, conducted a SAM exclusion search for all existing employees and did not receive any exclusions for any staff member.

Page 1 of 3

¹⁰ The United States Center for SafeSport's response to the draft audit report contained five attachments and updated accounting records were provided, all of which were not included in the final audit report.

3. **Ensure that SafeSport update the policies and procedures to include controls related to credits for federally paid travel.**

The Center concurs with this recommendation. Flight credits identified during the audit were a result of COVID-19 flight cancellations in 2020 and 2021. While this is not anticipated in the future, the Center will add language to its existing policy. Such language will state that when a credit is issued for a flight, originally charged to the federal grant, the credit must either be used for federal grant program travel, verified by the Grants and Compliance Manager and supervisor who approved the expense report for the traveler, or the flight cost will be deducted from the Center's next reimbursement request within the ASAP system.

4. **Remedy \$5,423 in unsupported questioned costs associated with the following issues: a. \$5,037 in unsupported contract and consultant questioned costs. b. \$386 in unsupported travel questioned costs.**

The Center concurs with the questioned consultant costs and the unsupported travel costs. The Center notes that these expenditures relate to costs incurred in early 2019, prior to the Center's implementation of an expense management system. The Center was unable to locate time and effort report for one contractor due to it being a paper copy. Currently, all expense reports are processed electronically within the expense management system, and there are no instances of unsupported costs.

5. **Coordinate with SafeSport to establish policies and procedures that ensure grant accounting systems have budget control capabilities that ensure expenditures can be compared to budgeted amounts for each award.**

The Center concurs with this recommendation. Federal grant expenditures are specifically tracked within the Center's accounting system through use of a user-defined field. In addition, the Center's chart of accounts was updated in August of 2022 to closer align with federal budget categories. The accounting system was also upgraded to allow for increased tracking and reviews of federal expenditures.

6. **Coordinate with SafeSport to ensure that drawdowns are timed to ensure that Federal cash on hand is the minimum needed for disbursement/reimbursement of grant expenditures.**

The Center concurs with this recommendation; however, this was previously identified in the Center's 2020 Single Audit and a Corrective Action Plan was executed. The Center re-performed the auditors' comparison of the total amount reimbursed to the total amount in the accounting records for grant year 2022 and does not agree with the value shown in Figure 1 for Drawdown 38. Please see *Attachment 4* for the reconciliation of our calculations to those shown in Figure 1.

As noted in the Center's Grant Management Policy Manual, the Center reviews expenditures in each drawdown to ensure that expenditures had not been previously drawn on and that all expenditures are paid prior to being included in a drawdown.

7. **Ensure SafeSport update the policies and procedures to ensure that FFRs are not based on drawdown amounts, but the actual and obligated expenses.**

The Center concurs with this recommendation; however, this was previously identified in the Center's 2021 Single Audit and a Corrective Action Plan was executed. The Center's Grant Management Policy Manual was updated to include additional controls to review of accruals related to federal grant spending, and to reconcile the quarterly FFR to accounting system reports. All 2022 FFRs submitted have appropriately been reported on actual and obligated expenses.

8. Require SafeSport to correct the discrepancy on the subsequent FFR.

The Center agrees with this recommendation. In the JustGrants System, only the most recent FFR can be edited to correct discrepancies. The Center corrected FFR-978566 within the JustGrants system on November 15, 2022, with actual and obligated expenses for the July 1, 2022 -September 30, 2022, timeframe. Please see *Attachment 5* for the updated FFR.

Thank you for the opportunity to comment on the draft audit report. If you have any questions or require additional information, please email Monica Burgeson, Director of Finance or Kyle VanDusen, Grants and Compliance Manager at 720-531-0344.

 Monica Burgeson
2022.12.20 12:23:59 -0700

Cc: Ju'Riese Colon
Chief Executive Officer
U.S. Center for SafeSport

Kyle VanDusen
Audit and Compliance Manager
U.S. Center for SafeSport

Linda Taylor
Lead Auditor, Audit and Review Division
Office of Justice Programs

Sean Haynes
Assistant Regional Audit Manager, Denver Regional Audit Office
Office of the Inspector General

APPENDIX 4: Office of Justice Programs Response to the Draft Report



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

January 5, 2023

MEMORANDUM TO: Kimberly L. Rice
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General

FROM: [for] Ralph E. Martin *Jeffery A. Haley*
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Grants Awarded to the United States Center for SafeSport, Denver, Colorado*

This memorandum is in reference to your correspondence, dated December 6, 2022, transmitting the above-referenced draft audit report for the United States Center for SafeSport (SafeSport). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains eight recommendations and \$5,423 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 OJP's response.

- 1. We recommend that OJP ensure that SafeSport establish policies and procedures that ensure that valid and auditable sources of information are maintained to support program accomplishments in progress reports.**

OJP agrees with the recommendation. In its response, dated December 20, 2022, SafeSport stated that it keeps valid and auditable sources of information, which support program accomplishments in progress reports; and that it disagrees that three of the fifteen accomplishments tested did not have adequate supporting documentation. In addition, SafeSport stated that it will add specific language to its Grant Management Policy Manual, to enhance understanding of the progress report processes.

Accordingly, we will coordinate with SafeSport to obtain a copy of written policies and procedures, developed and implemented, to ensure that valid and auditable sources of information are maintained to support program accomplishments in progress reports; and the documentation is maintained for future auditing purposes.

2. **We recommend that OJP coordinate with SafeSport to update its policies and procedures to ensure that SAM is utilized to verify debarment and suspension for all new and existing employees, contractors, consultants, vendors, businesses, and organizations prior to being paid using Federal funds.**

OJP agrees with the recommendation. In its response, dated December 20, 2022, SafeSport stated that it has a policy in place which requires a System for Award Management (SAM) exclusion search for any contractor receiving payment from Federal funds. In addition, SafeSport stated that, from 2018 through 2022, it conducted a SAM exclusion search on every contractor and consultant that completed services for it. Further, SafeSport stated that it will add specific language to its existing policy to ensure that all SafeSport employees charging time to a Federal grant are included in a SAM search.

Accordingly, we will coordinate with SafeSport to obtain a copy of written policies and procedures, revised and implemented, to ensure that SAM is utilized to verify debarment and suspension for all new and existing employees, contractors, consultants, vendors, businesses, and organizations prior to being paid using Federal funds; and the documentation is maintained for future auditing purposes.

3. **We recommend that OJP ensure that SafeSport update the policies and procedures to include controls related to credits for Federally paid travel.**

OJP agrees with the recommendation. In its response, dated December 20, 2022, SafeSport stated that the flight credits identified during the audit were a result of flight cancellations in 2020 and 2021, due to the COVID-19 pandemic. In addition, SafeSport stated that it will update its existing policy to include language, which states that, when a credit is issued for a flight originally charged to a Federal grant, the credit must either be used for Federal grant program travel, or the flight cost will be deducted from the next reimbursement request from the Federal grant.

Accordingly, we will coordinate with SafeSport to obtain a copy of written policies and procedures, revised and implemented, to ensure that credits for travel that were paid for with Federal grant funds are properly accounted for and controlled.

4. **We recommend that OJP remedy \$5,423 in unsupported questioned costs associated with the following issues: a) \$5,037 in unsupported contract and consultant questioned costs; and b) \$386 in unsupported travel questioned costs.**

OJP agrees with the recommendation. In its response, dated December 20, 2022, SafeSport stated that the \$5,423 in questioned costs were incurred in early 2019, prior to its implementation of an electronic expense management system. In addition, SafeSport stated that it was unable to locate a time and effort report for one contractor because it was a paper copy, and that all expense reports are now processed electronically within its expense management system. However, SafeSport did not state how it will remedy the \$5,423 in questioned costs.

Accordingly, we will review the \$5,423 in questioned costs, related to unsupported contract/consultant and travel expenditures that were charged to Grant Number 2018-KY-B8-0001, and will work with SafeSport to remedy, as appropriate.

5. **We recommend that OJP coordinate with SafeSport to establish policies and procedures that ensure grant accounting systems have budget control capabilities that ensure expenditures can be compared to budgeted amounts for each award.**

OJP agrees with the recommendation. In its response, dated December 20, 2022, SafeSport stated that its Federal grant expenditures are tracked within its accounting system through the use of a user-defined field. In addition, SafeSport stated that its chart of accounts was updated in August 2022, to closer align with Federal budget categories; and that its accounting system was upgraded to allow for increased tracking and review of Federal expenditures. However, SafeSport did not state that it will incorporate these changes into its written policies and procedures, related to its grant accounting systems.

Accordingly, we will coordinate with SafeSport to obtain a copy of written policies and procedures, developed and implemented, to ensure that its grant accounting systems have budget control capabilities that ensure expenditures can be compared to budgeted amounts approved for each award.

6. **We recommend that OJP coordinate with SafeSport to ensure that drawdowns are timed to ensure that Federal cash on hand is the minimum needed for disbursement/reimbursement of grant expenditures.**

OJP agrees with the recommendation. In its response, dated December 20, 2022, SafeSport stated that its Grant Management Policy Manual states that expenditures associated with each drawdown are reviewed to ensure that they have not been previously drawn on, and that all expenditures are paid prior to being included in a drawdown request. However, SafeSport did not provide a copy of its Grant Management Policy Manual.

Accordingly, we will coordinate with SafeSport to obtain a copy of written policies and procedures, developed and implemented, to ensure that Federal cash-on-hand is the minimum amounts needed for disbursements to be made immediately, or within the next 10 days of drawdown, and the documentation supporting drawdown requests is maintained for future auditing purposes.

7. **We recommend that OJP ensure SafeSport update the policies and procedures to ensure that FFRs are not based on drawdown amounts, but the actual and obligated expenses.**

OJP agrees with the recommendation. In its response, dated December 20, 2022, SafeSport stated that its Grant Management Policy Manual was updated to include additional controls for the review of accruals related to Federal grant spending, and to reconcile the quarterly Federal Financial Report (FFR) to its accounting system reports. However, SafeSport did not provide a copy of its revised Grant Management Policy Manual.

Accordingly, we will coordinate with SafeSport to obtain a copy of written policies and procedures, developed and implemented, to ensure that the amounts reported on its FFRs are based on actual and obligated expenses, which are supported by its accounting records.

8. We recommend that OJP require SafeSport to correct the discrepancy on the subsequent FFR.

OJP agrees with the recommendation. In its response, dated December 20, 2022, SafeSport stated that, in the JustGrants System, only the most recent FFR can be edited to correct discrepancies in prior reports. Therefore, on November 15, 2022, SafeSport submitted the FFR for Grant Number 2018-KY-B8-0001, for the period of July 1, 2022 through September 30, 2022, and reported its cumulative Federal expenditures, as of September 30, 2022. In addition, SafeSport provided a copy of its cumulative grant general ledger report for the grant, which materially agrees with the cumulative Federal expenditures reported on the FFR (see Attachment). As a result, we believe SafeSport had adequately addressed this recommendation.

Accordingly, the Office of Justice Programs requests closure of this recommendation.

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

Attachment

cc: Maureen A. Henneberg
Deputy Assistant Attorney General

LeToya A. Johnson
Senior Advisor
Office of the Assistant Attorney General

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

Dawn Doran
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Office of the Inspector General

OJP Executive Secretariat
Control Number OCOM000079

APPENDIX 5: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The OIG provided a draft of this audit report to the Office of Justice Programs (OJP) and the United States Center for SafeSport (SafeSport). SafeSport'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 agreed with our recommendations, and as a result, the status of the audit report is resolved. SafeSport either concurred or agreed with 7 recommendations and did not concur with 1 recommendation. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Ensure that SafeSport establish policies and procedures that ensure that valid and auditable sources of information are maintained to support program accomplishments in progress reports.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with SafeSport to obtain a copy of written policies and procedures, developed and implemented, to ensure that valid and auditable sources of information are maintained to support program accomplishments in progress reports; and the documentation is maintained for future auditing purposes. As a result, this recommendation is resolved.

SafeSport did not concur with our recommendation and stated in its response that it keeps valid and auditable sources of information to support program accomplishments in progress reports. As noted in the Required Performance Reports section of the report, we found differences between: (1) the number SafeSport reported in its performance report and the number of trainings SafeSport provided; (2) the number of entities participating in courses provided by SafeSport's learning management system; and (3) the number of entities that received technical assistance from SafeSport. Along with the response, SafeSport provided additional documentation. However, after reviewing the documentation, we determined it was previously provided during the OIG's audit work and did not provide any new information or detail.

This recommendation can be closed when we receive documentation demonstrating that SafeSport has established policies and procedures that ensure that valid and auditable sources of information are maintained to support program accomplishments in progress reports.

- 2. Coordinate with SafeSport to update its policies and procedures to ensure that the System for Award Management (SAM) is utilized to verify debarment and suspension for all new and existing employees, contractors, consultants, vendors, businesses, and organizations prior to being paid using federal funds.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with SafeSport to obtain a copy of written policies and procedures, revised and implemented, to ensure that SAM is utilized to verify debarment and suspension for all new and existing employees, contractors, consultants, vendors, businesses, and organizations prior to being paid using federal

funds; and the documentation is maintained for future auditing purposes. As a result, this recommendation is resolved.

SafeSport concurred with our recommendation and stated in its response that it has a policy in place which requires SAM exclusion search for any contractor receiving payment from federal funds. SafeSport also stated that it will add in specific language to its existing policy to ensure that all SafeSport employees charging time to a federal grant are included in SAM searches. SafeSport stated that it conducted a SAM exclusion search of existing employees and did not receive any exclusions for any staff member.

This recommendation can be closed when we receive documentation demonstrating that SafeSport has updated its policies and procedures to ensure that SAM is utilized to verify debarment and suspension for all new and existing employees, contractors, consultants, vendors, businesses, and organizations prior to being paid using federal funds.

3. Ensure that SafeSport update the policies and procedures to include controls related to credits for federally paid travel.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it would coordinate with SafeSport to obtain a copy of written policies and procedures, revised and implement, to ensure that credits for travel were paid for with Federal grant funds are properly accounted for and controlled. As a result, this recommendation is resolved.

SafeSport concurred with our recommendation and stated in its response that the flight credits identified during the audit were a result of COVID-19 flight cancellations in 2020 and 2021. SafeSport also stated that it will add language to its existing policy. Specifically, the language will state that when a credit is issued for a flight, originally charged to the federal grant, the credit must either be used for federal grant program travel, verified by the SafeSport Grants and Compliance Manager and supervisor who approved the expense report for the traveler, or the flight cost will be deducted from the Center's next reimbursement request.

This recommendation can be closed when we receive documentation demonstrating that SafeSport has updated its policies and procedures to include controls related to credits for federally paid travel.

4. Remedy \$5,423 in unsupported questioned costs associated with the following issues:

a. \$5,037 in unsupported contract and consultant questioned costs.

b. \$386 in unsupported travel questioned costs.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$5,423 in questioned costs, related to unsupported contract/consultant and travel expenditures that

were charged to Grant Number 2018-KY-B8-0001, and will work with SafeSport to remedy, as appropriate. As a result, this recommendation is resolved.

SafeSport concurred with our recommendation and stated in its response that these expenditures relate to costs incurred in early 2019, prior to its implementation of an expense management system. However, SafeSport stated it was unable to locate a time and effort report for one contractor due to it being a paper copy. SafeSport also explained that currently all expense reports are processed electronically within the expense management system, and there are no instances of unsupported costs.

This recommendation can be closed when we receive documentation that OJP has remedied the \$5,423 in unsupported questioned costs.

- 5. Coordinate with SafeSport to establish policies and procedures that ensure grant accounting systems have budget control capabilities that ensure expenditures can be compared to budgeted amounts for each award.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it would coordinate with SafeSport to obtain a copy of written policies and procedures, developed and implemented, to ensure that its grant accounting systems have budget control capabilities that ensure expenditures can be compared to budgeted amounts for each award. As a result, this recommendation is resolved.

SafeSport concurred with our recommendation and stated in its response that federal grant expenditures are specifically tracked within its accounting system through its use of a user-defined field and its chart of accounts was updated in August 2022 to closer align to federal budget categories. SafeSport also stated that its accounting system was updated to allow for increased tracking and reviews of federal expenditures.

This recommendation can be closed when we receive documentation demonstrating that SafeSport has established policies and procedures that ensure grant accounting systems have budget control capabilities that ensure expenditures can be compared to budgeted amounts for each award.

- 6. Coordinate with SafeSport to ensure that drawdowns are timed to ensure that federal cash on hand is the minimum needed for disbursement/reimbursement of grant expenditures.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with SafeSport to obtain a copy of written policies and procedures, developed and implemented, to ensure that federal cash-on-hand is the minimum amounts needed for disbursements to be made immediately, or within the next 10 days of drawdown, and the documentation supporting drawdown requests is maintained for future auditing purposes. As a result, this recommendation is resolved.

SafeSport concurred with our recommendation and stated in its response that this issue was previously identified in its 2020 Single Audit and a Corrective Action Plan was executed. SafeSport also stated that it reformed the comparison of drawdowns to expenditures and that it did not agree with the calculations noted in Figure 1 of the OIG's report.

The OIG reviewed comparison completed by SafeSport and noted that its comparison did not include all expenditures and drawdowns noted in Figure 1. When we discussed the differences with SafeSport officials after issuing the draft report, it appeared that SafeSport did not utilize the cumulative amounts and had reviewed their accounting records and found additional transactions that were not provided to the OIG during the audit. Also, the OIG could not determine if SafeSport took corrective action as stated in its response to the 2020 SAR and noted that the last instance of drawdowns exceeding expenditures occurred after that Single Audit. Therefore, the OIG disagrees with SafeSport's conclusion related to Figure 1 and its comparisons to drawdowns and expenditures.

This recommendation can be closed when we receive documentation that SafeSport has established policies and procedures that ensure that drawdowns are timed to ensure that federal cash on hand is the minimum needed for disbursement/reimbursement of grant expenditures.

7. Ensure SafeSport update the policies and procedures to ensure that FFRs are not based on drawdown amounts, but the actual and obligated expenses.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it would coordinate with SafeSport to obtain a copy of written policies and procedures, developed and implemented, to ensure that the amounts reported on its FFRs are based on actual and obligated expenses, which are supported by its accounting records. As a result, this recommendation is resolved.

SafeSport concurred with our recommendation and stated in its response that this was identified in SafeSport's 2021 Single Audit and a Corrective Action Plan was executed. SafeSport also stated that its Grant Management Policy Manual was updated to include additional controls to review of accruals related to federal spending and to reconcile quarterly FFRs to accounting system reports and that all 2022 FFRs submitted were appropriately report on actual and obligational expenses.

However, as noted in the FFR section of this report, although SafeSport had submitted a Corrective Action Plan and submitted updated FFRs, we still found the FFRs were inaccurate.

This recommendation can be closed when we receive documentation demonstrating that SafeSport has updated its policies and procedures to ensure that FFRs are not based on drawdown amounts, but the actual and obligated expenses.

8. Require SafeSport to correct the discrepancy on the subsequent FFR.

Closed. OJP agreed with our recommendation. OJP stated in its response that SafeSport submitted the FFR for Grant Number 2018-KY-B8-0001, for the period of July 1, 2022, through September 30, 2022, and reported its cumulative Federal expenditures, as of September 30, 2022. In addition, OJP

stated that SafeSport provided a copy of its cumulative grant general ledger report for the grant, which materially agrees with the cumulative Federal expenditures reported on the FFR. As a result, OJP believes SafeSport adequately addressed the recommendation and requested closure of the recommendation. We obtained the updated FFR from JustGrants, reviewed the general ledger, and determined the submission of the FFR adequately addresses our recommendation. Therefore, this recommendation is closed.