



Audit of the Office of Justice Programs
Bureau of Justice Assistance
Comprehensive Opioid, Stimulant, and
Substance Use Program Grant Awarded
to the County of Snohomish,
Everett, Washington



AUDIT DIVISION

25-090

SEPTEMBER 2025



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Bureau of Justice Assistance Comprehensive Opioid, Stimulant, and Substance Use Program Grant Awarded to the County of Snohomish, Everett, Washington

Objectives

The Office of Justice Programs (OJP) Bureau of Justice Assistance (BJA) awarded Snohomish County a grant totaling \$1,200,000 for the Comprehensive Opioid, Stimulant, and Substance Use Program. The objectives of this audit were to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether the grantee demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded that Snohomish County was making adequate progress to reorient local responses to safety, disorder, and behavioral health programs and to strengthen relationships with law enforcement and community members. However, this audit identified inaccurate and unsupported performance reporting, inadequate subrecipient monitoring, unallowable and unsupported expenditures, and inaccurate Federal Financial Reports. Lastly, we identified \$19,634 in net questioned costs.

Recommendations

Our report contains 12 recommendations for OJP. We requested a response to our draft audit report from Snohomish County 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 audited grant was to reduce the impact of opioids, stimulants, and other substances on individuals and communities, including supporting comprehensive, collaborative initiatives. The project period for the grant was from October 2021 through September 2025. As of January 2025, Snohomish County drew down a cumulative amount of \$485,981.

Program Goals and Accomplishments

We determined that Snohomish County was adequately achieving the two program goals we assessed. We also found that Snohomish County could not support 2 of 3 judgmentally selected performance measures in its progress reports, and it did not comply with three tested award conditions.

Subrecipient Management and Monitoring

We found that Snohomish County did not provide subaward information to its subrecipients. This led to at least one subrecipient not establishing its accounting system appropriately. Additionally, Snohomish County did not adequately monitor the activities of the same subrecipient.

Grant Expenditures & Financial Management

We found that Snohomish County reimbursed its subrecipients for unallowable expenditures and did not always have adequate documentation to support the costs claimed by the subrecipients. As a result, we questioned \$14,075 in unallowable costs and \$11,322 in unsupported costs. We also found that Snohomish County did not correctly complete its Federal Financial Reports.

Table of Contents

Introduction	1
The Grantee	2
OIG Audit Approach	3
Audit Results	5
Program Performance and Accomplishments	5
Program Goals and Objectives	5
Required Performance Reports	5
Compliance with Award Conditions	7
Subrecipient Management	7
Subrecipient Monitoring	9
Financial Monitoring	10
Single Audit Requirements	11
Performance Monitoring	11
Grant Financial Management	12
Single Audit	12
Grant Expenditures	12
Subrecipient Costs	13
Personnel Costs	13
Client Flex Fund Costs	14
Other Non-Personnel Costs	14
Indirect Costs	15
Budget Management and Control	16
Drawdowns	16
Federal Financial Reports	17
Conclusion and Recommendations	18
APPENDIX 1: Objectives, Scope, and Methodology	20
Objectives	20
Scope and Methodology	20
Internal Controls	20
APPENDIX 2: Schedule of Dollar-Related Findings	22
APPENDIX 3: Snohomish County's Response to the Draft Audit Report	23

APPENDIX 4: The Office of Justice Programs Response to the Draft Audit Report	29
APPENDIX 5: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report.....	37

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 Program (OJP) Bureau of Justice Assistance (BJA) under the Comprehensive Opioid, Stimulant, and Substance Use Program (COSSUP) to Snohomish County in Everett, Washington. Snohomish County was awarded one grant totaling \$1,200,000, as shown in Table 1.

Table 1

Grants Awarded to Snohomish County

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date ^a	Award Amount
15PBJA-21-GG-04542-COAP	BJA	12/22/2021	10/01/2021	09/30/2025	\$1,200,000
Total:					\$1,200,000

^a Snohomish County received a 1-year no-cost extension for its 2021 award and informed the OIG that it intended to request another extension.

Source: DOJ's JustGrants System

Funding through the COSSUP supports the DOJ's commitment to advance work that promotes civil rights, increases access to justice, supports crime victims, protects the public from crime and evolving threats, and builds trust between law enforcement and the community by providing resources to state, local, tribal, and territorial efforts to develop, implement, or expand comprehensive programs in response to illicit opioids, stimulants, or other substances of abuse.¹ In March 2024, the OIG issued an audit report of the BJA COSSUP to determine whether BJA accomplished the objectives of COSSUP, implemented adequate oversight and management of COSSUP, and effectively coordinated and collaborated with COSSUP partners and stakeholders.² The report made five recommendations to OJP to strengthen BJA's oversight and management of COSSUP. In November 2024, the OIG closed all recommendations.

BJA awarded COSSUP grant funds to Snohomish County to expand its law enforcement diversion program, referred to as Snohomish County Law Enforcement Assisted Diversion (LEAD).³ According to the Snohomish County LEAD's 2024 annual report, the program gives police officers and prosecutors the ability to divert individuals away from jail when committing low-level misdemeanors that may stem from mental illness,

¹ COSSUP was originally developed as the Comprehensive Opioid Abuse Program (COAP) as part of the 2016 Comprehensive Addiction and Recovery Act (CARA). In 2020, BJA expanded and evolved the retitled program—the Comprehensive Opioid, Stimulant, and Substance Abuse Program, or COSSAP—to respond to the increasing misuse of other drugs and to advance efforts in addressing the range of illicit substances and opioids. In 2023, COSSAP transitioned to COSSUP to reduce the stigma related to substance use and to support individuals impacted in their recovery journey.

² U.S. Department of Justice (DOJ) Office of the Inspector General (OIG), [Audit of the Bureau of Justice Assistance Comprehensive Opioid, Stimulant, and Substance Abuse Program](#), Audit Report 24-054 (March 2024)

³ LEAD is a model framework that supports community-based alternatives to jail and prosecution for people whose unlawful behavior stems from unmanaged substance use, mental health challenges, or extreme poverty. The model originated in Seattle, Washington, in 2011.

substance use, and extreme poverty. Individuals are instead connected to services through case managers who work to address the root cause of the person's challenges.

There are two ways in which individuals may enroll in Snohomish County LEAD: (1) pre-booking diversion, and (2) social contact. A pre-booking diversion occurs when a law enforcement officer makes an arrest for a divertible offense and refers the arrested individual to LEAD through a "warm hand-off" to a LEAD case manager instead of booking the individual into jail and referring them for prosecution.⁴ Upon a "warm hand-off," which generally occurs within 30 minutes of a referral, the individual is legally released from custody. The law enforcement officer will complete the paperwork and handle any seized evidence as they would in an arrest and forward the paperwork to the relevant prosecutor for tracking purposes. The individual then has 21 days to sign a release of information and complete the intake process, which officially enrolls the individual into the program. However, if the individual does not complete the intake within 21 days, and an extension has not been granted, the referring officer will be notified that they may file the charges at their discretion. Individuals can also be referred to the program without an arrest through social contact when law enforcement officers, police social workers, or prosecutors perceive them as high risk for arrest of low-level divertible crimes in the future and in need of LEAD case management support. According to the LEAD program Community Toolkit, the individual will not face any consequences if they decline to enroll.

Through the LEAD program, participants work with case managers to address unmet behavioral health needs. The case manager, with the help of the participant, will develop an Individual Success Plan and document them in a case management system. Case managers will continue to meet with participants to address their goals defined in the Individual Success Plan and write new goals as older goals are completed. Because the objective is to secure changes in individual behavior, there is no limit to the period in which a participant can remain in the program and receive services. However, participants can be discharged from the program either due to lack of engagement or because there is no observable behavior change for an extended period of time. Participants who are discharged may re-engage in the program at any time, whereby the case manager will start a new LEAD service case.

The Grantee

Although Snohomish County was the applicant for the COSSUP grant, the Snohomish County Prosecuting Attorney's Office served as the host agency in the implementation of the LEAD program. Specifically, the Snohomish County Prosecuting Attorney's Office coordinated the collaborative partnership among local law enforcement agencies, social and human service providers, prosecutors, defense counsel, and community-based organizations.

The Snohomish County LEAD program began operating in November 2020 after Snohomish County received a grant from the Washington Health Care Authority in June 2020 to develop and implement a LEAD

⁴ Based on local needs and priorities, LEAD sites determine eligibility for arrest diversions. Divertible offenses as described in the Snohomish County LEAD Intervention Protocol include misdemeanor drug traffic loitering, misdemeanor drug-related offenses, misdemeanor criminal/malicious mischief, misdemeanor theft, unlawful bus conduct, unlawful camping, false statements, misdemeanor park code violations, urinating in public, trespass, prostitution offense (except promoting), resisting/obstructing an officer, obstructing sidewalks, and certain low-level felony drug and other non-violent offenses.

program.⁵ In April 2022, Snohomish County received a grant from a not-for-profit organization to add elements of the Recovery Navigator Program to the existing LEAD program.⁶ To build upon their program, Snohomish County then applied for and was awarded the audited BJA COSSUP grant to expand its operational capacity. Snohomish County has subawarded COSSUP grant funds to two subrecipients (hereon referred to as Subrecipient A and B) to fund the salary and related fringe benefits of three case managers, as well as costs incurred from operating the program, provided by Subrecipient A, and to fund program-related travel expenditures of the Program Director, provided by Subrecipient B.⁷ As of December 2024, all three grants (from the Washington Health Care Authority, the not-for-profit organization, and BJA) continued to fund the Snohomish County LEAD program.

According to its 2024 annual report, the Snohomish County LEAD program reported connecting clients to services such as inpatient treatment, detox, intensive outpatient treatment, mental health services, and medication-assisted treatment. The Snohomish County LEAD program also reported handing out 1,546 kits of Naloxone (medication that can rapidly reverse the effects of an opioid overdose), reversing 41 overdoses, and training 122 participants on overdose response in 2024.

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

We tested compliance with what we considered to be the most important conditions of the grants. The DOJ Grants Financial Guide; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and the award documents contain the primary criteria we applied during the audit.

⁵ The Washington Health Care Authority is the state's behavioral health authority. Enacted through the Substitute Senate Bill 5380 (2019) and codified in Revised Code of Washington 71.24.589, Washington State passed legislation to implement a LEAD program to support community-based alternatives to jail and prosecution for individuals whose unlawful behaviors stem from unmanaged substance use, mental health challenges, or extreme poverty.

⁶ The not-for-profit organization contracts with the Washington Health Care Authority to provide help to individuals in a 5-county North Sound region who are experiencing a crisis due to mental illness or substance abuse. Enacted through Engrossed Senate Bill 5476 and codified in Revised Code of Washington 71.24.115, the Recovery Navigator Program, modeled upon the components of the LEAD program, aims to provide social services to individuals who intersect with law enforcement because of simple drug possession and/or people who have frequent criminal legal system contact because of unmet behavioral healthcare needs.

⁷ The payroll costs for the Program Director were not funded by the COSSUP grant funds under this audit. Initially hired as a Project Manager in July 2020, the individual was promoted to Program Director in September 2022.

The results of our analysis are discussed in detail later in the Audit Results section of 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 performance reports, the grant solicitation, grant application, and grant documentation, and interviewed Grantee officials to determine whether Snohomish County demonstrated adequate progress towards achieving the program goals and objectives. We also reviewed the progress reports to determine if the required reports were accurate. Finally, we reviewed Snohomish County's compliance with the grant award conditions.

Program Goals and Objectives

In Snohomish County's program narrative for the Snohomish County LEAD program, we identified six goals. We judgmentally selected two program goals to determine whether Snohomish County demonstrated adequate progress towards achieving the program goals selected for review, as shown in Table 2.

Table 2

Snohomish County LEAD Program Goals Selected for Review

Goal No.	Goal Description
1	To reorient local responses to safety, disorder, and behavioral health problems.
6	To strengthen relationships between law enforcement and community members.

Source: Snohomish County program narrative

The Snohomish County LEAD program began its law enforcement partnerships in the cities of Everett and Lynnwood, Washington, in August 2020. We found that as of March 2025, the program had expanded to a total of 11 law enforcement partnerships in neighboring cities, which supported the program's goal to strengthen relationships between law enforcement and community members.⁸ Additionally, in our judgmental sample of 25 out of 199 case files, we found that law enforcement partners had made pre-booking referrals, which successfully led to participants joining the Snohomish County LEAD program. We determined that the pre-booking referrals of individuals supported the program's goal to reorient local responses to safety, disorder, and behavioral health problems. Therefore, based on our review, we determined that Snohomish County was adequately achieving the goals and objectives we tested.

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

⁸ As of March 2025, the Snohomish County LEAD program partners with Everett Police Department, Lynnwood Police Department, Arlington Police Department, Bothell Police Department, Brier Police Department, Edmonds Police Department, Lake Stevens Police Department, Mill Creek Police Department, Mountlake Terrace Police Department, Mukilteo Police Department, and Snohomish County Sheriff's Department.

the program solicitation. To verify the information in progress reports, we selected a judgmental sample of three performance measures from the two most recent reports submitted for the grant.⁹ We found that the supporting documentation, a statistics report maintained by the subrecipient responsible for activity related to these measures, did not support the reported numbers for two of the three measures in the progress reports.

Table 3

Snohomish County LEAD Performance Measures Selected for Review

Performance Measure	Progress Report	Statistics Report	Difference
January – June 2024			
Number of individuals referred to recovery support services	65	32	33
Number of individuals received recovery support services	59	37	22
Of those individuals that were referred to or received recovery support services, how many are crime victims	0	0	0
July – December 2024			
Number of individuals referred to recovery support services	115	36	79
Number of individuals received recovery support services	115	37	78
Of those individuals that were referred to or received recovery support services, how many are crime victims	0	0	0

Source: Snohomish County LEAD documentation and OIG Analysis

Each month, the case managers at Subrecipient A enter their participants' statistical data in the statistics report located on a shared drive, whereby access is provided through a hyperlink. The statistics report contains a worksheet for each case manager and a summary worksheet to total the numbers for all case managers. Each worksheet is also broken down by performance measure and by month. The Program Director uses the data in the statistics report for progress reporting.

However, when we requested that the Program Director provide a walk-through for collecting the data, they were unable to reconcile the reported figures to the underlying data. The Program Director stated that the numbers may have changed because there were many people with access to the report. Additionally, we found that the Program Director's methodology was incorrect as the Program Director used data from the summary worksheet rather than the worksheets of the COSSUP-funded case managers, potentially reporting an inflated number. Moreover, we found that neither the subrecipient nor the Program Director retained a copy of the statistics report at the end of each month to support the activity reported. In the absence of version control and without retaining a copy of the source documentation, the performance data cannot be supported. Therefore, we recommend that OJP require Snohomish County to develop and implement written policies and procedures to ensure performance measures are calculated correctly and that source documents to support reported performance measures are retained.

⁹ The two most recent progress reports were for the reporting period January through June 2024 and July through December 2024.

Compliance with Award Conditions

Award conditions are the terms and conditions that are included with the award.¹⁰ We evaluated the award conditions for the grant and selected a judgmental sample of the requirements that are significant to performance under the grant and are not addressed in another section of this report. We evaluated three award conditions. The first condition required the recipient's Grant Award Administrator and all Financial Managers to complete the OJP Financial Management and Grant Administration training. The second condition required the recipient to report first-tier subawards of \$30,000 or more in the System for Award Management (SAM.gov).¹¹ The third condition required the recipient to submit to BJA for review and approval any materials that will be published through funds from this grant, including web-based materials and website content, and to include a funding statement on any such publication.

We determined that Snohomish County was not in compliance with the three tested award conditions. First, we found that while the Snohomish County Prosecuting Attorney's Office Budget and Fiscal Administrator, who was the Financial Manager of the award, took the required OJP Financial Management and Grant Administration training, the Program Director, who was the Grant Award Administrator did not. Second, we found that Snohomish County had not reported its subaward to Subrecipient A in SAM.gov. Based on our review of the COSSUP grant budget and expenditures, we determined that Snohomish County would not be required to report Subrecipient B's subaward in SAM.gov. Third, the Snohomish County LEAD program produced two videos, a marketing video and a refresher training video accessible only to its law enforcement partners, both of which were paid for with COSSUP grant funds. In reviewing the videos, we found that neither had the required funding disclosure statement. Additionally, when we asked the Program Director whether the videos were submitted to BJA for review and approval, the Program Director confirmed that they did not request BJA's approval as they were unaware of the requirement. We asked Snohomish County why it was not in compliance with these award conditions, and a Snohomish County official stated that they did not adequately review the award document that included the award conditions. However, as the authorized representative of Snohomish County, the Executive Director who signed and accepted the award document on behalf of Snohomish County certifies that they have read and understand the information presented in the federal instrument, including the grant award conditions. We recommend that OJP take appropriate action to ensure that the applicable Snohomish County officials responsible for executing the award adhere to the award requirements, to include compliance with the grant award conditions. Additionally, we recommend that OJP confirm Snohomish County has complied with the three tested award conditions related to grant training, SAM.gov reporting, and pre-publication review of grant-funded materials.

Subrecipient Management

The Uniform Guidance requires that pass-through entities ensure that every subaward is clearly identified to the subrecipient as a subaward and includes information required by 2 C.F.R. § 200.332, such as the

¹⁰ Previously, award conditions were referred to as special conditions in the legacy system.

¹¹ SAM.gov is an official website of the U.S. Government that includes entities that are registered to do business with the U.S. Government and allows for visitors to the site to search for entity registration, exclusion records, and subaward reporting.

Federal Award Identification Number, federal award date, amount of federal funds obligated in the subaward, and amount of the federal award committed to the subrecipient by the pass-through entity.

The Snohomish County LEAD program is funded by the COSSUP grant and two other non-federal grants. To operate the LEAD program and provide case management under the program, Snohomish County subawarded COSSUP grant funds to two subrecipients. We found that Snohomish County's subaward to the subrecipients did not identify the information required by 2 C.F.R. § 200.332. Furthermore, we noted that although there was an indication that the subawards were funded by up to three sources, the award documents did not identify the specific amounts provided through the federal and non-federal sources to total the overall subaward amount. A Snohomish County official acknowledged that its subaward documents to the subrecipients do not capture the details from the COSSUP grant award, and that they did not think to review the COSSUP grant award to determine whether there was language that needed to be included in the subawards to its subrecipients. In reviewing Snohomish County's policy for grants management, which provides general guidance regarding grant application, acceptance, and performance requirements, we noted that the policy did not contain guidance related to the financial management of subawards.

Snohomish County's approach of awarding its subrecipient a subaward that combines federal and non-federal sources without providing a breakdown of funds by source hinders the subrecipient's ability to establish adequate accounting system records to separately track and monitor activity specific to the federal and non-federal sources in compliance with the Uniform Guidance. Specifically, we found that Subrecipient A did not separately identify revenues and expenditures of the different funding sources in its accounting system, essentially commingling its federal funds with non-federal funds. Although Subrecipient A's monthly invoices submitted to Snohomish County identify the case managers funded by each source, non-salary expenditures were presented as a total amount. To determine the amount funded by each source, the Snohomish County Budget and Fiscal Administrator allocated the non-salary expenditures shared between the three funding sources based on the ratio of full-time equivalent funded by each source.

As the pass-through entity providing oversight of the subrecipient, Snohomish County should not retroactively compute the subrecipient's expense allocations among the three funding sources. The DOJ Grants Financial Guide states that the pass-through entity is required to monitor the subrecipient's use of federal funds and to review financial reports submitted by the subrecipient. Therefore, the subrecipient is responsible for managing and allocating the federal funds that it receives from Snohomish County in line with the approved uses for the funds as dictated by the original funding source and the governing award documents.

The Snohomish County Budget and Fiscal Administrator did not communicate its allocation amounts to the subrecipient at the time of the award, and the subrecipient did not establish a cost allocation methodology among the three funding sources. As a result, the subrecipient was unable to separately track federal expenditures from non-federal expenditures as required by the Uniform Guidance. Further, this impacted the subrecipient's ability to comply with the requirements of the Single Audit Act and accurately compile the Schedule of Expenditures of Federal Awards as required by 2 C.F.R. § 200.510.¹² Despite Snohomish County

¹² Non-federal entities that receive federal financial assistance are required to comply with the Single Audit Act of 1984, *Continued*

reimbursing \$474,781 in COSSUP grant funds to the subrecipient in FY 2023 and 2024, we noted that the subrecipient's Schedule of Expenditures of Federal Awards did not report any grant expenditures for the two periods.¹³ Following our inquiries, in March 2025, Snohomish County sent a letter to Subrecipient A informing them of the required information pertaining to the federal award. However, we noted that the information did not identify the amount of COSSUP grants funds Snohomish County obligated to Subrecipient A. Therefore, we recommend that OJP require Snohomish County to develop and implement written policies and procedures to provide subrecipients with the necessary federal funding information, which will help promote appropriate management of federal funds that complies with the Uniform Guidance and the DOJ Grants Financial Guide.

Subrecipient Monitoring

As a direct grant recipient that provided subawards to subrecipients, Snohomish County is considered a pass-through entity, and the Uniform Guidance and the DOJ Grants Financial Guide require pass-through entities to oversee the operations of its subrecipients to ensure they achieve their performance objectives and use grant funds in accordance with federal and program guidelines. To assess the adequacy of Snohomish County's monitoring of its subrecipients, we interviewed Snohomish County personnel, identified Snohomish County monitoring procedures, and obtained records of interactions between Snohomish County and its subrecipients. Although Snohomish County subawarded COSSUP grant funds to two subrecipients, we determined that more than 97 percent of the expenditures were paid to reimburse Subrecipient A. As a result, we conducted a site visit of Subrecipient A, which included interviewing personnel, touring the facility, and reviewing accounting and performance records.

We found that Snohomish County did not adequately monitor the activities of Subrecipient A necessary to ensure that the subrecipient complied with federal statutes, regulations, and terms and conditions of the subaward, as required by the Uniform Guidance. Specifically, Snohomish County officials stated that they had not performed monitoring activities of its subrecipients. During our audit, we also found that Subrecipient A's registration in SAM.gov expired on November 13, 2024. We asked Snohomish County about the inactive registration, and a Snohomish County official stated that it was not on their radar and that they were not aware of the deficiency. We also asked the subrecipient about the inactive registration. The subrecipient official stated that in October 2024 they were aware that the registration would be expiring. However, due to access issues, they were unable to renew the registration. As of February 28, 2025, the subrecipient's registration in SAM.gov was activated. Subrecipient B's SAM.gov registration remained active for the COSSUP grant period under audit.

To manage the implementation and day-to-day operations of the Snohomish County LEAD program, Snohomish County entered into an agreement with a community partner, Subrecipient B, to provide an independent Program Director. The Program Director, although not an employee of Subrecipient A, worked

as amended. The Single Audit Act requires recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. The audit is referred to as "single" because it includes all federal financial assistance that the entity has received and expended. Under the Uniform Guidance, such entities that expend \$1,000,000 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. Prior to October 1, 2024, the threshold for single audit requirements was \$750,000.

¹³ Subrecipient A's fiscal year is from January 1 through December 31.

out of Subrecipient A's place of business. A Snohomish County official stated that the Program Director worked with the County as though they were a county employee to oversee the Snohomish County LEAD program. The Snohomish County official also stated that they have regular budgetary and programmatic discussions with the Program Director. When we asked the Program Director whether they were also responsible for monitoring Subrecipient A for compliance with federal statutes, regulations, and terms and conditions of the subaward, the Program Director stated they were not.

As previously mentioned in the Subrecipient Management section of this report, Snohomish County's policy includes general guidance regarding grant applications, acceptances, and performance requirements. Although the policy mentions a requirement for subrecipient monitoring activities, the guidance in the policy was broad, and the criteria referenced were incorrectly cited as 2 C.F.R. § 200.331 and 2 C.F.R. § 200.338, while requirements for pass-through entities are prescribed in 2 C.F.R. § 200.332.

In our overall assessment of Snohomish County's subrecipient monitoring, we concluded that Snohomish County's subrecipient monitoring was inadequate. In March 2025, Snohomish County began developing a subrecipient monitoring policy, and in April 2025, Snohomish County provided us with a draft version of the policy, to include procedural checklists. However, during our audit, we also noted deficiencies related to Snohomish County's review of financial and performance reports prepared by its subrecipients, which we discuss in more detail in the Financial Monitoring and Performance Monitoring sections below. Therefore, we recommend that OJP require Snohomish County to develop and implement written policies and procedures for subrecipient monitoring, to include financial monitoring and performance monitoring, to ensure Snohomish County monitors subrecipients in accordance with the Uniform Guidance.

Financial Monitoring

As of January 2025, Snohomish County paid a total of \$474,781 to Subrecipient A with the COSSUP grant funds we audited. According to the subaward document, Snohomish County requires the subrecipient to submit invoices monthly, along with reasonable documentation to substantiate the expenses incurred for the period covered by the invoice. Based on our review, each invoice packet contained: (1) the reimbursement request for the month summarized by case managers funded by the various grants supporting the Snohomish County LEAD program and by cost category (e.g., vehicle expense, rent and utilities, cell phones); (2) a table summary of the case managers, along with the rate of pay, hours worked, and gross pay; and (3) a listing of the cost categories broken down by vendor. The remaining pages of the invoice packet contained vendor statements and receipts to support the reimbursement request. The subrecipient submits the invoice packet to the Program Director for review to ensure supporting documentation ties to the reported expenditures. The Program Director then submits the invoice packet on behalf of the subrecipient to the Budget and Fiscal Administrator for reimbursement.

To evaluate Snohomish County's financial controls over its subrecipient-related COSSUP grant expenditures, we reviewed a sample of subrecipient expenditures and determined whether the payments were accurate, allowable, supported, and in accordance with the Uniform Guidance. Based on our review, we identified significant deficiencies in Snohomish County's controls over the COSSUP grant expenditures. We found that Snohomish County paid the subrecipient for costs identified as unallowable in the grant solicitation, such as food and gift cards, and the invoice packet did not contain the necessary documentation, such as payroll reports and cost allocation methodology, to adequately support all the costs claimed. (Our review of these costs is discussed in detail below.)

The Snohomish County Budget and Fiscal Administrator stated they primarily focused on the first three pages of the invoice packet, while the Program Director (Subrecipient B) is the one who reviewed the invoices. Additionally, a Snohomish County official stated that they had not performed monitoring activities of Subrecipient A besides the regular invoice review for compliance. As stated in the Subrecipient Monitoring section above, Snohomish County provided us with a draft version of its subrecipient monitoring policy. The draft subrecipient monitoring policy indicates that Snohomish County will review invoices for accuracy and supporting documentation. Further, in its March 2025 letter to Subrecipient A, Snohomish County stated that it will conduct an on-site monitoring visit in the summer of 2025. We recommend that OJP ensure that Snohomish County performs financial monitoring as required by the Uniform Guidance and the recently developed and implemented Snohomish County's monitoring policy.

Single Audit Requirements

According to the DOJ Grants Financial Guide, primary recipients are required to ensure subrecipients have single audits completed. Furthermore, according to the Uniform Guidance, the agency or pass-through entity responsible for oversight is required to issue a management decision on audit findings within 6 months after receipt of the single audit report by the Federal Audit Clearinghouse and ensure that the subrecipient takes appropriate and timely corrective action.

Snohomish County did not have the proper controls to ensure that it complied with the subrecipient single audit requirements. During our audit, we found that Snohomish County did not verify that its subrecipients had single audits performed when required. When we asked Snohomish County why it did not verify that the subrecipients had single audits when required, a Snohomish County official stated that they did not know they were required to do so. Without verifying whether its subrecipients had single audits performed, Snohomish County cannot determine whether a management decision should be issued as required by 2 C.F.R. § 200.521, and it cannot ensure that the subrecipients are taking corrective action to resolve audit findings specifically related to the subaward. As stated in the Subrecipient Monitoring section of this report, Snohomish County has developed a draft version of its subrecipient monitoring policy, to include procedural checklists. We noted that the checklist included verification of a subrecipient's audit requirements, verification that the audit was submitted, review of the audit for findings and questioned costs, and verification of the subrecipient's response to the audit included a plan for correcting noncompliant conditions. Additionally, in its March 2025 letter to Subrecipient A, Snohomish County requested the subrecipient to provide its latest single audit for their review. In July 2025, Snohomish County stated that they will send a similar letter to Subrecipient B. Because Snohomish County's action addresses the non-compliance we identified, we are not issuing a recommendation.

Performance Monitoring

According to the Uniform Guidance, the pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must review performance reports, in addition to financial reports. However, we found that Snohomish County did not have policies and procedures in place to review the performance progress reports. A Snohomish County official stated they did not have a way of verifying the reported figures, and that they relied on the Program Director to provide accurate information regarding the numbers reported. We asked the Program Director about the review process for progress reports and the Program Director stated that no one reviews the progress reports prior to submission because the monthly statistics are relatively straightforward. However, as stated in the Required

Performance Reports section of this report, we noted discrepancies between the reported figures and the supporting documentation. Accurate performance data is important to effectively monitor progress towards the goals and objectives of the program. Therefore, we recommend that OJP require Snohomish County to develop and implement written policies and procedures to ensure subrecipient performance reports are reviewed for accuracy.

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 Snohomish County's financial management of the grant covered by this audit, we conducted interviews with financial staff, examined policies and procedures, and inspected grant documents to determine whether Snohomish County adequately safeguarded the grant funds we audited.

In our overall assessment of grant financial management, we determined that Snohomish County must improve its processes for grant financial management. While we determined that Snohomish County has implemented adequate processes for timing drawdown requests to ensure that the federal cash-on-hand was the minimum amount needed for reimbursement, we found that Snohomish County used federal grant funds to reimburse the subrecipient for unallowable and unsupported expenditures and reported inaccurate Federal Financial Reports (FFR). These deficiencies are discussed in more detail in the Grant Expenditures and Federal Financial Reports sections of this report.

Single Audit

We reviewed Snohomish County's single audit reports for fiscal years 2021, 2022, and 2023. Based on our review, the fiscal year 2021 single audit report identified that Snohomish County did not have adequate internal controls for ensuring compliance with federal subrecipient monitoring requirements on a non-DOJ grant. Specifically, the single audit report noted that Snohomish County did not establish subaward agreements with three subrecipients, did not include all required elements in one subaward agreement, and did not perform monitoring activities for four subrecipients as required by the Uniform Guidance. Although the internal control deficiency was noted as corrected in the following year, we identified similar issues during our audit of the DOJ COSSUP grant, as discussed in the Subrecipient Management and Subrecipient Monitoring sections of this report.

Grant Expenditures

As of January 2025, Snohomish County drew down \$485,981 based on claimed costs including subrecipient costs, supplies, and travel costs. Because subrecipient costs represented 98 percent of the total claimed costs, we focused our testing on subrecipient costs. To determine whether subrecipient costs charged to the award were allowable, supported, and properly allocated in compliance with award requirements, we judgmentally selected three monthly reimbursements paid to the subrecipients between September 2023 and November 2024 totaling \$96,751, or about 20 percent of claimed costs. We reviewed supporting documentation, accounting records, and performed verification testing related to grant expenditures.

Subrecipient Costs

To accomplish the goals of the grant, Snohomish County subawarded grant funds to pay for personnel costs and other program-related costs, such as travel, vehicles, rent, cell phones, training, insurance, machinery and equipment, supplies, program participant costs (referred to by the grantee as “client flex funds”), and indirect costs.

Overall, we determined that Snohomish County paid for unallowable and unsupported subrecipient costs. During our testing, we found multiple instances in which Snohomish County reimbursed Subrecipient A for unallowable expenditures, such as entertainment, food and beverages, and gift cards. These costs are expressly unallowable as stipulated in the grant solicitation, the Uniform Guidance, or the award conditions. However, as discussed in the Compliance with Award Conditions section of this report, a Snohomish County official stated that they did not adequately review the award document.

We also found multiple instances in which Snohomish County did not have adequate supporting documentation from the subrecipient for the claimed costs. The invoice packet contains the reimbursement request for the month; a table summary of the case managers’ rate of pay, hours worked, and gross pay; a listing of the cost categories broken down by vendor; and vendor statements and receipts to support the reimbursement request. However, as discussed in the Financial Monitoring section of this report, the Budget and Fiscal Administrator stated they primarily focused on the first three pages of the invoice packet rather than the documentation provided to support the expenses.

Based on the results of our expenditure testing, we recommend that OJP require Snohomish County to develop and implement controls to ensure that only allowable and supported costs are charged to the COSSUP grant. We discuss the details of the questioned costs, by cost category, in the sections below.

Personnel Costs

As of January 2025, Snohomish County used \$211,502 and \$84,601 of COSSUP grant funds to reimburse Subrecipient A for salary and related fringe benefits, respectively. The salary and related fringe benefits for three case managers represented the largest cost category for which Subrecipient A received reimbursements. As part of our testing, we reviewed a sample of expenditures totaling \$42,279 for salary and \$16,912 for related fringe benefits, or approximately 20 percent of all such expenditures.

During our audit, we found that Snohomish County did not have adequate supporting documentation for the \$42,279 in salary costs we tested. Snohomish County was relying on a table summary of payroll costs, rather than a payroll report. Due to the insufficient supporting documentation, we asked the subrecipient for the labor reports and were able to support all salary expenditures we tested. As mentioned in the Financial Monitoring section of this report, other than the regular invoice review, Snohomish County did not perform any other monitoring activities. However, with an adequate process for routine financial monitoring to ensure compliance with federal statutes, regulations and terms and conditions of the subaward, Snohomish County may have been able to rely on the summary of payroll costs. Because Subrecipient A was able to support all salary expenditures tested, we do not question the salary costs we tested. However, we also found that Snohomish County paid related fringe benefits at a rate higher than the approved rate. The budget narrative approved by OJP stated that fringe benefits are calculated at 34 percent of salary expenses. Snohomish County paid fringe benefits at 40 percent, 6 percent higher than the approved rate. As

a result, we question as unallowable the excess 6 percent of fringe benefit expenses for the months we tested, which totaled \$2,537, and we recommend that OJP remedy the \$2,537 in unallowable fringe benefit costs.

Client Flex Fund Costs

As of January 2025, Snohomish County used \$35,372 of COSSUP grant funds to reimburse Subrecipient A for client flex funds. Client flex funds are funds that can be used to support active program participants with expenses such as short-term housing, medical care, clothing, license fees, and hygiene supplies. As part of our testing, we reviewed a sample of expenditures totaling \$8,084, or approximately 23 percent of all client flex funds.

During our testing, we identified \$562 of unallowable costs for food and beverages and \$1,431 of unallowable costs for gift cards charged to the client flex fund category. The COSSUP grant solicitation stated that the grant funds may not be used for: (1) monetary incentives, (2) client stipends, (3) gift cards, (4) vehicle purchases, and (5) food and beverages. Furthermore, Snohomish County's budget narrative approved by OJP stated that "flex funds will not be used for food, beverages, gift cards, birth control products, or syringes or needles exchange." However, contrary to the solicitation and budget narrative, the LEAD Program Guidelines developed in 2020 by the Program Director states that food and gift card expenditures are allowable. When we asked Snohomish County about the unallowable costs, a Snohomish County official stated that they were not aware of the restrictions with the COSSUP award because the two other non-federal funding sources viewed the occasional meal or a few food staples as allowable and necessary to support program participants. We also found \$60 in credit card late fees and interest, which are unallowable expenditures under 2 C.F.R. § 200.449. In addition to the unallowable costs, we also found that \$3,361 of the \$8,084 client flex fund expenditures we tested did not have adequate supporting documentation, such as receipts, invoices, or credit card statements. Therefore, we recommend that OJP remedy \$2,053 in unallowable client flex fund costs and \$3,361 in unsupported client flex fund costs.

Other Non-Personnel Costs

The transactions we tested also included other non-personnel expenditures, such as vehicles, cell phones, licenses and training, machinery, supplies, rent and utilities, and insurance from Subrecipient A and travel expenditures from Subrecipient B. As of January 2025, Snohomish County used \$95,542 of COSSUP grant funds to reimburse the subrecipients for other non-personnel expenditures. As part of our testing, we reviewed a sample of other non-personnel expenditures totaling \$17,734 or approximately 19 percent of all non-personnel expenditures.

During our expenditure testing, we identified expenditures charged to the COSSUP grant that were not associated with the LEAD program. We found \$195 in cell phone costs, \$161 in license and training costs, and \$27 in supply expenses for background checks and drug tests that were not connected to COSSUP-funded employees. We also identified a vehicle lease expense with a monthly payment of \$536 that Subrecipient A had improperly charged to the Snohomish County LEAD program, in which a portion was charged to the COSSUP grant. The vehicle was assigned to and used by another program of Subrecipient A. When we asked the subrecipient about the vehicle lease expenses charged to the Snohomish County LEAD program, a subrecipient official acknowledged the error disclosing that a total of \$11,785 was improperly charged to the Snohomish County LEAD program for 22 months from May 2023 through February 2025 and provided a credit of \$11,785 on the March 2025 reimbursement request to Snohomish County. While the

subrecipient's action addressed our concerns, we noted that the Budget and Fiscal Administrator did not apply the credit properly, resulting in \$183 under-allocation to the COSSUP grant for the three monthly reimbursements we tested. Additionally for the 3 months of vehicle expenditures tested, we also identified \$310 of associated fuel card and vehicle registration expenditures that were inappropriately allocated to the COSSUP grant.

The Uniform Guidance requires that costs that can be linked to the final cost objective be charged directly. We identified \$6,228 of unallowable expenditures pertaining to depreciation, cost of operating and maintaining the facility, and administrative and general expenses charged directly to the grant in the supplies, rent and utilities, and insurance budget categories. These costs could not be directly attributed to the operations of the LEAD program and the subrecipient received an administrative allowance for indirect costs to cover such expenditures; therefore, these expenditures are not allowable as a direct costs.

Furthermore, we identified supply expenditures for entertainment, specifically a laser tag and an axe throwing party for the case managers, food, and non-alcoholic beverages totaling \$230. As discussed in the Client Flex Fund Costs section above, the COSSUP grant solicitation stated that food and beverages are unallowable. Additionally, according to 2 C.F.R. § 200.438, entertainment costs are unallowable.

Finally, we identified \$7,961 in unsupported non-personnel costs. Specifically, we identified \$341 in vehicle expenditures and \$1,122 in travel costs that were missing documentation; \$636 in machinery and equipment expenditures for the purchase of laptops that did not have supporting documentation to identify whether the laptops were assigned to COSSUP-funded employees; and \$195 in cell phone costs, \$11 in licenses and training expenses, \$42 in supply expenses, \$3,737 in rent and utilities expenses, and \$1,877 in insurance costs that were not adequately supported because Snohomish County did not have adequate supporting documentation.¹⁴

In total, we question \$7,335 other non-personnel costs as unallowable and \$7,961 other non-personnel costs as unsupported. Therefore, we recommend that OJP remedy \$7,335 in unallowable other non-personnel costs and \$7,961 unsupported other non-personnel costs.

Indirect Costs

According to the Uniform Guidance, the pass-through entity and the subrecipient may have a negotiated indirect cost rate. Subrecipient A's agreement with Snohomish County allowed for an administrative allowance for indirect costs. As of January 2025, Snohomish County used \$58,963 of COSSUP grant funds to reimburse Subrecipient A for indirect costs. Indirect costs are costs of an organization that are not readily assignable to a particular project but are necessary to the operation of the organization and the performance of the project. As part of our testing, we reviewed a sample of expenditures totaling \$11,742 or 20 percent of all indirect costs.

We determined that the indirect costs were not calculated correctly because the indirect costs were not calculated based on the COSSUP-funded expenditures but rather based on the expenditures funded by all

¹⁴ As of October 1, 2024, 2 C.F.R. § 200.439 defines capital expenditures as items with a unit cost of \$10,000 or more. Prior to that, the capitalization threshold was \$5,000. None of the purchases reviewed in the "machinery and equipment" cost category in the period we tested had a unit cost greater than the defined threshold.

three funding sources then allocated based on the full-time equivalent funded by each source. The initial inclusion of the salary and fringe benefits funded by the non-federal funding sources resulted in an inequitable share allocated to the COSSUP grant. As a result of the miscalculations and coupled with adjustments for unallowable and unsupported expenses identified in the other cost categories above, we question \$2,150 of indirect costs as unallowable. Therefore, we recommend that OJP remedy \$2,150 in unallowable indirect costs.

Based on Snohomish County's practices described in the Financial Monitoring section of this report and the subrecipient costs questioned above, we determined that the deficiencies we have identified are not isolated instances but rather a systemic issue in which additional unallowable and unsupported costs may be identified in the months we did not test as part of our sample. Therefore, we also recommend that OJP work with Snohomish County to review historical subrecipient reimbursement requests to identify similar unallowable and unsupported costs and to remedy any questioned costs that are uncovered as a result of the review.

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. Additionally, the grant recipient must initiate a Grant Award Modification 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 Snohomish County transferred funds among budget categories in excess of 10 percent. The approved budget indicated that 100 percent of the award funds would be subawarded. Although we identified some expenditures in supplies and travel, 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. Snohomish County draws down funds on a reimbursement basis and submits drawdown requests for the COSSUP-funded portion of LEAD program expenditures on a quarterly basis. As of January 2025, Snohomish County had drawn down a total of \$485,981.¹⁵ To assess whether Snohomish County managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records. During this audit, we did not identify significant deficiencies related to the recipient's process for developing drawdown requests and determined drawdowns were based on actual expenditures as recorded in the accounting records. However, we identified deficiencies

¹⁵ Snohomish County made its first drawdown in January 2024.

and questioned costs related to compliance of individual expenditures with grant rules. We address those deficiencies in the Grant Expenditures section of this report.

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. To determine whether Snohomish County submitted accurate FFRs, we compared the five most recent reports to Snohomish County's accounting records.

We found that the FFRs did not match Snohomish County's accounting records in four of the five FFRs we reviewed, as shown in Table 4 below.

Table 4

Federal Financial Reports

FFR Start Date	FFR End Date	Federal Share of Expenditures	Accounting Records	Difference ^a
07/01/2023	09/30/2023	\$1,341	\$1,341	\$0
10/01/2023	12/31/2023	89,159	119,360	(30,201)
01/01/2024	03/31/2024	217,401	152,576	64,826
04/01/2024	06/30/2024	187,201	278,223	(91,023)
07/01/2024	09/30/2024	309,817	339,108	(29,291)

^a Immaterial differences are due to rounding.

Source: DOJ Data Management, Reporting, and Analytics system and OIG Analysis

We determined that the reported cumulative federal share of expenditures were drawdown amounts, and not expenditures for the reporting period as recorded in Snohomish County's accounting records. We also found that Snohomish County's accounting records for the COSSUP grant did not follow modified accrual accounting standards, as the county's accounting policies require, for recording the transaction in the period that they pertain to. The FFRs should be reported accurately to avoid false or misleading information. Snohomish County did not have written policies and procedures for preparing FFRs. A Snohomish County official stated that they did not understand what was being asked for in the FFRs and confirmed that they were preparing the FFRs based on drawdown amounts. We recommend that OJP require Snohomish County to develop and implement written policies and procedures to accurately prepare FFRs.

Conclusion and Recommendations

As a result of our audit testing, we conclude that Snohomish County did not adhere to all of the grant requirements we tested but was adequately achieving the grant's goals and objectives we tested. Specifically, we identified concerns with Snohomish County's compliance with essential award conditions, such as inaccurate progress reporting, inadequate subrecipient monitoring, unallowable and unsupported grant expenditures, inaccurate Federal Financial Reports, and non-compliance with certain other award conditions. We provide 12 recommendations to OJP to address these deficiencies and remedy \$14,075 in unallowable costs and \$11,322 in unsupported subrecipient costs.

We recommend that OJP:

1. Require Snohomish County to develop and implement written policies and procedures to ensure performance measures are calculated correctly and that source documents to support reported performance measures are retained.
2. Take appropriate action to ensure that the applicable Snohomish County officials responsible for executing the award adhere to the award requirements, to include compliance with the grant award conditions.
3. Confirm Snohomish County has complied with the three tested award conditions related to grant training, SAM.gov reporting, and pre-publication review of grant-funded materials.
4. Require Snohomish County to develop and implement written policies and procedures to provide subrecipients with the necessary federal funding information, which will help promote appropriate management of federal funds that complies with the Uniform Guidance and the DOJ Grants Financial Guide.
5. Require Snohomish County to develop and implement written policies and procedures for subrecipient monitoring, to include financial monitoring and performance monitoring, to ensure Snohomish County monitors subrecipients in accordance with the Uniform Guidance.
6. Ensure that Snohomish County performs financial monitoring as required by the Uniform Guidance and the recently developed and implemented Snohomish County's monitoring policy.
7. Require Snohomish County to develop and implement written policies and procedures to ensure subrecipient performance reports are reviewed for accuracy.
8. Require Snohomish County to develop and implement controls to ensure that only allowable and supported costs are charged to the COSSUP grant.

9. Remedy \$14,075 in unallowable questioned costs associated with the following issues:
 - a. \$2,537 in unallowable fringe benefit costs.
 - b. \$2,053 in unallowable client flex fund costs.
 - c. \$7,335 in unallowable other non-personnel costs.
 - d. \$2,150 in unallowable indirect costs.
10. Remedy \$11,322 in unsupported questioned costs associated with the following issues:
 - a. \$3,361 in unsupported client flex fund costs.
 - b. \$7,961 in unsupported other non-personnel costs.
11. Work with Snohomish County to review historical subrecipient reimbursement requests to identify similar unallowable and unsupported costs and to remedy any questioned costs that are uncovered as a result of the review.
12. Require Snohomish County develop and implement written policies and procedures to accurately prepare Federal Financial Reports.

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

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 an Office of Justice Program (OJP) Bureau of Justice Assistance (BJA) grant awarded to Snohomish County under the Comprehensive Opioid, Stimulant, and Substance Use Program (COSSUP), 15PBJA-21-GG-04542-COAP for \$1,200,000, and through January 2025, had drawn down \$485,981 of the total grant funds awarded. Our audit concentrated on, but was not limited to, the period of September 2021 through December 2024. The period of performance is ongoing until September 30, 2025.

To accomplish our objectives, we tested compliance with a judgmental sample of conditions of Snohomish County's activities related to the audited grant. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges, financial reports, and performance 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; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; award documents; and the grantee's policies and procedures contain the primary criteria we applied during the audit.

During our audit, we obtained information from the DOJ JustGrants, SAM.gov, the Snohomish County LEAD program case management system, as well as Snohomish County's and Subrecipient A's accounting systems 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 Snohomish County to provide assurance on its internal control

structure as a whole. Snohomish County's 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 Snohomish County's internal control structure as a whole, we offer this statement solely for the information and use of Snohomish County and OJP.¹⁶

In planning and performing our audit, we identified internal control components and underlying internal control principles that are significant to the audit objective. Specifically, we reviewed the design and implementation of Snohomish County's written policies and procedures. We also tested the implementation and operating effectiveness of specific controls over subaward execution and compliance with laws and regulations in our audit scope.

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.

¹⁶ 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	Subrecipient	Amount ¹⁷	Page
Questioned Costs:			
Unallowable Fringe Benefits	A	\$2,537	14
Unallowable Client Flex Funds	A	\$2,053	14
Unallowable Non-Personnel Costs (Vehicle Expenses, Cell Phone, Training, Licensing, Supplies, Rent, Utilities, Insurance)	A	\$7,335	15
Unallowable Indirect Costs	A	<u>\$2,150</u>	16
Unallowable Costs		\$14,075	
Unsupported Client Flex Funds	A	\$3,361	14
Unsupported Non-Personnel Costs (Vehicle Expenses, Cell Phone, Training, Licensing, Machinery, Supplies, Rent, Utilities, and Insurance)	A	\$6,839	15
Unsupported Non-Personnel Costs (Travel)	B	<u>\$1,122</u>	15
Unsupported Costs		\$11,322	
<i>Gross Questioned Costs¹⁸</i>		<i>\$25,397</i>	
Less Duplicate Questioned Costs ¹⁹		<u>(5,763)</u>	
Net Questioned Costs		\$19,634	
TOTAL DOLLAR-RELATED FINDINGS		<u>\$19,634</u>	

¹⁷ Any differences in totals are due to rounding.

¹⁸ **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.

¹⁹ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount, which includes: \$620 client flex funds, \$310 vehicle, \$206 cell phone and training, \$29 supply, \$2,721 rent and utilities, and \$1,877 insurance expenditures that were both unallowable and unsupported.

APPENDIX 3: Snohomish County's Response to the Draft Audit Report



Snohomish County
Prosecuting Attorney

Administration

Michael Held, Chief of Staff

Jason J. Cummings, Prosecuting Attorney

Robert J. Drewel Bldg., 7th Floor
3000 Rockefeller Ave., M/S 504 | Everett, WA
98201-4046
(425) 388-3742 | Fax (425) 388-6333
www.snoco.org

September 4, 2025

David J. Gaschke
Regional Audit Manager
San Francisco Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
90 7th Street, Suite 3-100
San Francisco, California 94103

Dear Mr. Gaschke:

Thank you for the opportunity to review the Draft Audit Report. Below, please find our responses to OIG's recommendations to OJP regarding the areas of improvement identified in the Report. As an office, we take pride in the work we do partnering with law enforcement agencies across the county to protect the public from crime, and to preserve the rights of victims while also safeguarding the rights of the accused. Snohomish County's LEAD program plays an important role in those noble endeavors, and we are grateful for the financial assistance the COSSUP grant has provided in making the scope of the LEAD program possible.

To be clear, in that the Snohomish County LEAD program is administered by our office, in each instance where "Snohomish County" is referenced below, the Snohomish County Prosecuting Attorney's Office is and will be the agency acting on behalf of the County.

1. Require Snohomish County to develop and implement written policies and procedures to ensure performance measures are calculated correctly and that source documents to support reported performance measures are retained.

Snohomish County agrees with the recommendation. The LEAD Program Director will consult with our assigned COSSUP grant manager to clarify the specific performance measure datasets to be included in the required performance reports and, in coordination with the Prosecuting Attorney's Office Chief of Staff, will develop written policies and procedures to ensure performance measures are calculated correctly and supportive documents are retained. The estimated date of completion is September 30, 2025.

2. Take appropriate action to ensure that the applicable Snohomish County officials responsible for executing the award adhere to the award requirements, to include compliance with the grant award conditions.

Snohomish County agrees with the recommendation. The Prosecuting Attorney's Office Budget and Fiscal Administrator and Chief of Staff have reviewed and discussed the grant Award Conditions set forth in the notice of award correspondence received through JUSTgrants. The Budget and Fiscal Administrator will also provide the list of grant award conditions to applicable Snohomish County officials and others, including the Executive Director, and the LEAD Program Director. The estimated date of completion is September 12, 2025.

3. Confirm Snohomish County has complied with the three tested award conditions related to grant training, SAM.gov reporting, and pre-publication review of grant-funded materials.

Snohomish County agrees with the recommendation. As noted in the report, the Budget and Fiscal Administrator has completed the OJP Financial Management and Grant Administration training. The LEAD Program Director will also complete the training. The estimated date of completion is September 30, 2025.

The Budget and Fiscal Administrator has been assigned the role of Data Entry in SAM.gov for the purpose of reporting the subaward to Subrecipient A and has requested the Entity Administrator to grant her "subaward reporting permission". The estimated date of completion is on or before September 12, 2025.

The LEAD Program Director has worked with the video production vendor and as of this writing the funding disclosure statement has been added to the two LEAD videos. The LEAD Program Director will now submit the videos to BJA for review and approval. The estimated date of completion is September 30, 2025.

4. Require Snohomish County to develop and implement written policies and procedures to provide subrecipients with the necessary federal funding information, which will help promote appropriate management of federal funds that complies with the Uniform Guidance and the DOJ Grants Financial Guide.

Snohomish County agrees with the recommendation. The Budget and Fiscal Administrator in coordination with the Chief of Staff will develop written policies and procedures to provide subrecipients with the necessary federal funding information, geared toward facilitating appropriate management of federal funds in a manner that complies with the Uniform Guidance and the DOJ Grants Financial Guide. The estimated date of completion is September 30, 2025.

In addition, the Budget and Fiscal Administrator will make a good faith estimate, based on past, audit-adjusted invoices, of the total amount of COSSUP grant funds obligated to

Criminal Division
Elise Deschenes, Chief Deputy
Mission Building, 1st Floor
(425) 388-3333
Fax (425) 388-3572

Civil Division
Bridget E. Casey, Chief Deputy
Robert J. Drewel Bldg., 8th Floor
(425) 388-6330
Fax (425) 388-6333

Family Support Division
Julie Mohr, Chief Deputy
Robert J. Drewel Bldg., 6th Floor
(425) 388-7280
Fax (425) 388-7295

subrecipient A for the entire grant term and inform them of the same. The estimated date of completion is September 30, 2025.

5. Require Snohomish County to develop and implement written policies and procedures for subrecipient monitoring, to include financial monitoring and performance monitoring, to ensure Snohomish County monitors subrecipients in accordance with the Uniform Guidance.

Snohomish County agrees with the recommendation. The Budget and Fiscal Administrator in coordination with the Chief of Staff will develop written policies and procedures for subrecipient monitoring, to include financial monitoring and performance monitoring, to ensure Snohomish County monitors subrecipients in accordance with the Uniform Guidance. The estimated date of completion is September 30, 2025.

6. Ensure that Snohomish County performs financial monitoring as required by the Uniform Guidance and the recently developed and implemented Snohomish County's monitoring policy.

Snohomish County agrees with the recommendation. We will continue to look to strengthen our existing policy and checklist on subrecipient monitoring. The estimated date of completion is September 30, 2025.

Additionally, following the exit interview with OIG in January 2025, the Budget and Fiscal Administrator is (1) reviewing every transaction on subrecipient A's monthly invoices, (2) verifying each transaction with backup documentation, and (3) requesting subrecipient A to identify and isolate non-allowable costs in its monthly invoices to ensure these are excluded from COSSUP drawdowns. As a result, subrecipient A now provides a lengthy spreadsheet in Excel format for each monthly invoice, recording each LEAD-related financial transaction (date, invoice number, vendor, amount, description and/or cost category) to facilitate our review of their invoices and allocation of costs among our several grantors. We requested and have received from subrecipient A this spreadsheet for each month from September 2023 to the present. To date, we have reviewed all 16 invoices (Sept. 2023- Dec. 2024) to capture any cost allocation errors since the beginning of the grant award (this action supports recommendations #8 and #11). The Budget and Fiscal Administrator has reached out to the Grant Manager and to OCFO with specific questions regarding the accounting of rent, insurance, depreciation, and facility maintenance to ensure that all allocations of these costs comply with the Uniform Guidance and our grant award. The Budget and Fiscal Administrator will make additional adjustments as needed following this consultation.

7. Require Snohomish County to develop and implement written policies and procedures to ensure subrecipient performance reports are reviewed for accuracy.

Criminal Division
Elise Deschenes, Chief Deputy
Mission Building, 1st Floor
(425) 388-3333
Fax (425) 388-3572

Civil Division
Bridget E. Casey, Chief Deputy
Robert J. Drewel Bldg., 8th Floor
(425) 388-6330
Fax (425) 388-6333

Family Support Division
Julie Mohr, Chief Deputy
Robert J. Drewel Bldg., 6th Floor
(425) 388-7280
Fax (425) 388-7295

Snohomish County agrees with the recommendation. The LEAD Program Director will, in coordination with the Chief of Staff, develop written policies and procedures to ensure subrecipient performance reports are reviewed for accuracy. (See also response to Recommendation #1.) The estimated date of completion is September 30, 2025.

8. Require Snohomish County to develop and implement controls to ensure that only allowable and supported costs are charged to the COSSUP grant.

Snohomish County agrees with the recommendation. We believe we have effectively developed and implemented controls to ensure that only allowable and supported costs are charged to the COSSUP grant.

Following the exit interview with OIG in January 2025, the Budget and Fiscal Administrator is (1) reviewing every transaction on subrecipient A's monthly invoices, (2) verifying each transaction with backup documentation, and (3) requesting subrecipient A to identify and isolate non-allowable costs in its monthly invoices to ensure these are excluded from COSSUP drawdowns. As a result, subrecipient A now provides a lengthy spreadsheet in Excel format for each monthly invoice, recording each LEAD-related financial transaction (date, invoice number, vendor, amount, description and/or cost category) to facilitate our review of their invoices and allocation of costs among our several grantors. We requested and have received from subrecipient A this spreadsheet for each month from September 2023 to the present. To date, we have reviewed all 16 invoices (Sept. 2023- Dec. 2024) to capture any cost allocation errors since the beginning of the grant award (this action supports recommendations #8 and #11). The Budget and Fiscal Administrator has reached out to the Grant Manager and to OCFO with specific questions regarding the accounting of rent, insurance, depreciation, and facility maintenance to ensure that all allocations of these costs comply with the Uniform Guidance and our grant award. The Budget and Fiscal Administrator will make additional adjustments as needed following this consultation.

9. Remedy \$14,075 in unallowable questioned costs associated with the following issues:

- a. \$2,537 in unallowable fringe benefit costs.
- b. \$2,054 in unallowable client flex fund costs.
- c. \$7,335 in unallowable other non-personnel costs.
- d. \$2,150 in unallowable indirect costs.

Criminal Division
Elise Deschenes, Chief Deputy
Mission Building, 1st Floor
(425) 388-3333
Fax (425) 388-3572

Civil Division
Bridget E. Casey, Chief Deputy
Robert J. Drewel Bldg., 8th Floor
(425) 388-6330
Fax (425) 388-6333

Family Support Division
Julie Mohr, Chief Deputy
Robert J. Drewel Bldg., 6th Floor
(425) 388-7280
Fax (425) 388-7295

Snohomish County agrees with the recommendation. While we accept that unallowable costs were invoiced to the grantor, and we will work with OJP to remedy all unallowable cost allocations, in the absence of an itemized accounting we can neither admit nor deny the specific sums amounts attributed to unallowable costs set forth above in 9.a. through d. above. As we review all cost allocations associated with past invoices, we are using an Excel spreadsheet to track all cost allocation adjustments including those to fringe benefits, client flex fund costs, other non-personnel costs, and unallowable indirect costs. We anticipate completing our review of all previous invoices by October 31, 2025.

Specifically, we are:

- Calculating fringe benefit costs at 34% of salary expenses instead of 40%, per the grant award and making this adjustment as we review our cost allocations in all previous invoices. The 6% differential is being allocated to the two non-federal grantors of the LEAD Program.
- Reviewing all previous invoices to identify all unallowable client flex fund and excluding them from COSSUP drawdowns.
- Reviewing all previous invoices to identify all unallowable other non-personnel costs and excluding them from COSSUP drawdowns.
- Reviewing all previous invoices to identify all unallowable indirect costs and excluding them from COSSUP drawdowns.

10. Remedy \$11,322 in unsupported questioned costs associated with the following issues:

- a. \$3,361 in unsupported client flex fund costs.
- b. \$7,961 in unsupported other non-personnel costs.

Snohomish County agrees with the recommendation, in part. If we can obtain documentation that supports the client flex fund costs and the non-personnel costs, then there will be no need for a remedy. If, however, these costs remain unsupported then we will remedy them with OJP. The estimated date of completion is September 30, 2025.

11. Work with Snohomish County to review historical subrecipient reimbursement requests to identify similar unallowable and unsupported costs and to remedy any questioned costs that are uncovered as a result of the review.

Criminal Division
Elise Deschenes, Chief Deputy
Mission Building, 1st Floor
(425) 388-3333
Fax (425) 388-3572

Civil Division
Bridget E. Casey, Chief Deputy
Robert J. Drewel Bldg., 8th Floor
(425) 388-6330
Fax (425) 388-6333

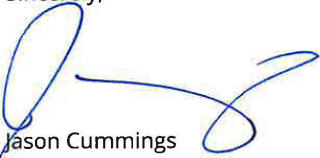
Family Support Division
Julie Mohr, Chief Deputy
Robert J. Drewel Bldg., 6th Floor
(425) 388-7280
Fax (425) 388-7295

Snohomish County agrees with the recommendation. As stated in other responses, we are systematically reviewing all previous invoices to identify cost allocation errors since the same mistaken cost allocation methodology was applied to each invoice. To date, we have reviewed all 16 invoices from 2023-2024 and have reached out to our Grant Manager to confirm that our cost allocation adjustments comply with the Uniform Guidance. Once we have confirmed all the cost allocations adjustments needed, we will work with OJP to remedy the situation. The estimated date of completion is October 31, 2025.

12. Require Snohomish County develop and implement written policies and procedures to accurately prepare Federal Financial Reports.

Snohomish County agrees with the recommendation. The Budget and Fiscal Administrator has taken the OJP Financial Management Training and has a clearer understanding of what to report in the FFRs. Unfortunately, revising FFRs is not possible as OJP provides no mechanism for tendering corrected/revised FFRs once they have been submitted. As a result, our focus has been to complete the remaining FFRs accurately until the end of the grant. The estimated date of completion is October 31, 2025.

Sincerely,



Jason Cummings
Snohomish County Prosecuting Attorney



Michael Held
Chief of Staff

Criminal Division
Elise Deschenes, Chief Deputy
Mission Building, 1st Floor
(425) 388-3333
Fax (425) 388-3572

Civil Division
Bridget E. Casey, Chief Deputy
Robert J. Drewel Bldg., 8th Floor
(425) 388-6330
Fax (425) 388-6333

Family Support Division
Julie Mohr, Chief Deputy
Robert J. Drewel Bldg., 6th Floor
(425) 388-7280
Fax (425) 388-7295

APPENDIX 4: The 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

September 15, 2025

MEMORANDUM TO: David J. Gaschke
Regional Audit Manager
San Francisco Regional Audit Office
Office of the Inspector General

FROM: Iyauta I. Green
Director

lyauta lyeesha Green Digitally signed by lyauta lyeesha Green
Date: 2025.09.15 10:16:01 -04'00'

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Bureau of Justice Assistance Comprehensive Opioid, Stimulant, and Substance Use Program Grant Awarded to the County of Snohomish, Everett, Washington*

This memorandum is in reference to your correspondence, dated August 14, 2025, transmitting the above-referenced draft audit report for Snohomish County. We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **12** recommendations and **\$19,634** in net 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 require Snohomish County to develop and implement written policies and procedures to ensure performance measures are calculated correctly and that source documents to support reported performance measures are retained.**

OJP agrees with the recommendation. In its response, dated September 4, 2025, Snohomish County stated that its Law Enforcement Assisted Diversion (LEAD) Program Director would consult with its assigned Comprehensive Opioid, Stimulant, and Substance Use Program (COSSUP) Grant Manager to clarify the specific performance measure datasets to be included in the required performance reports and, in coordination with the Prosecuting Attorney's Office Chief of Staff, would develop written policies and procedures to ensure performance measures are calculated correctly and supportive documents are retained. Snohomish County anticipated that the policies and procedures would be completed by September 30, 2025.

Accordingly, we will coordinate with Snohomish County to obtain a copy of its written policies and procedures, developed and implemented, to ensure that performance measures are calculated correctly and that source documents to support reported performance measures are retained for future auditing purposes.

2. **We recommend that OJP take appropriate action to ensure that the applicable Snohomish County officials responsible for executing the award adhere to the award requirements, to include compliance with the grant award conditions.**

OJP agrees with the recommendation. In its response, dated September 4, 2025, Snohomish County stated that the Prosecuting Attorney's Office Budget and Fiscal Administrator and Chief of Staff have reviewed and discussed the grant award conditions set forth in the notice of award correspondence received through JustGrants. In addition, Snohomish County stated that the Budget and Fiscal Administrator would provide the list of grant award conditions to applicable Snohomish County officials and others, including the Executive Director, and the LEAD Program Director. Snohomish County anticipated that these actions would be completed by September 30, 2025.

Accordingly, we will coordinate with Snohomish County to obtain a copy of its written policies and procedures, developed and implemented, to ensure that the applicable Snohomish County officials responsible for executing the award adhere to the award requirements, to include compliance with the grant award conditions.

3. **We recommend that OJP confirm Snohomish County has complied with the three tested award conditions related to grant training, SAM.gov reporting, and pre-publication review of grant-funded materials.**

OJP agrees with the recommendation. In its response, dated September 4, 2025, Snohomish County stated that the Budget and Fiscal Administrator had completed the OJP Financial Management and Grant Administration training. In addition, Snohomish County stated that the LEAD Program Director would also complete the training. Moreover, Snohomish County stated that the Budget and Fiscal Administrator had been assigned the role of Data Entry in SAM.gov for the purpose of reporting the subaward to Subrecipient A and had requested the Entity Administrator to grant "subaward reporting permission," as well. Further, Snohomish County stated that the LEAD Program Director had worked with the video production vendor and was added to the two LEAD videos, and that the LEAD Program Director would submit the videos to OJP's Bureau of Justice Assistance (BJA) for review and approval. Snohomish County anticipated that these actions would be completed by September 30, 2025.

Accordingly, we will coordinate with Snohomish County to obtain evidence that it has complied with the three tested award conditions related to grant training, SAM.gov reporting, and pre-publication review of grant-funded materials.

4. **We recommend that OJP require Snohomish County to develop and implement written policies and procedures to provide subrecipients with the necessary federal funding information, which will help promote appropriate management of federal funds that complies with the Uniform Guidance and the DOJ Grants Financial Guide.**

OJP agrees with the recommendation. In its response, dated September 4, 2025, Snohomish County stated that the Budget and Fiscal Administrator in coordination with the Chief of Staff would develop written policies and procedures to provide subrecipients with the necessary federal funding information, geared toward facilitating appropriate management of federal funds in a manner that complies with the Uniform Guidance and the U.S. Department of Justice (DOJ) Grants Financial Guide. Snohomish County anticipated that the policies and procedures would be completed by September 30, 2025.

Accordingly, we will coordinate with Snohomish County to obtain a copy of its written policies and procedures, developed and implemented, to provide subrecipients with the necessary federal funding information, which will help promote appropriate management of federal funds that complies with the Uniform Guidance and the DOJ Grants Financial Guide.

5. **We recommend that OJP require Snohomish County to develop and implement written policies and procedures for subrecipient monitoring, to include financial monitoring and performance monitoring, to ensure Snohomish County monitors subrecipients in accordance with the Uniform Guidance.**

OJP agrees with the recommendation. In its response, dated September 4, 2025, Snohomish County stated that the Budget and Fiscal Administrator in coordination with the Chief of Staff would develop written policies and procedures for subrecipient monitoring, to include financial monitoring and performance monitoring, to ensure Snohomish County monitors subrecipients in accordance with the Uniform Guidance. Snohomish County anticipated that the policies and procedures would be completed by September 30, 2025.

Accordingly, we will coordinate with Snohomish County to obtain a copy of its written policies and procedures, developed and implemented, for subrecipient monitoring, to include financial monitoring and performance monitoring, to ensure that Snohomish County monitors subrecipients in accordance with the Uniform Guidance.

6. **We recommend that OJP ensure that Snohomish County performs financial monitoring as required by the Uniform Guidance and the recently developed and implemented Snohomish County’s monitoring policy.**

OJP agrees with the recommendation. In its response, dated September 4, 2025, Snohomish County stated that it would continue to work to strengthen its existing policy and checklist on subrecipient monitoring. Snohomish County anticipated that the policies and procedures would be completed by September 30, 2025. In addition, Snohomish County stated that the Budget and Fiscal Administrator was 1) reviewing every transaction on Subrecipient A's monthly invoices, 2) verifying each transaction with backup documentation, and 3) requesting Subrecipient A to identify and isolate non-allowable costs in its monthly invoices to ensure that they were excluded from COSSUP drawdowns.

Accordingly, we will coordinate with Snohomish County to obtain a copy of its revised written policies and procedures, developed and implemented, to ensure that Snohomish County performs financial monitoring as required by the Uniform Guidance and its recently developed and implemented monitoring policy. In addition, we will obtain evidence that Snohomish County performed financial monitoring as required.

7. **We recommend that OJP require Snohomish County to develop and implement written policies and procedures to ensure subrecipient performance reports are reviewed for accuracy.**

OJP agrees with the recommendation. In its response, dated September 4, 2025, Snohomish County stated that the LEAD Program Director would, in coordination with the Chief of Staff, develop written policies and procedures to ensure subrecipient performance reports are reviewed for accuracy. Snohomish County anticipated that the policies and procedures would be completed by September 30, 2025.

Accordingly, we will coordinate with Snohomish County to obtain a copy of its written policies and procedures, developed and implemented, to ensure that subrecipient performance reports are reviewed for accuracy.

8. **We recommend that OJP require Snohomish County to develop and implement controls to ensure that only allowable and supported costs are charged to the COSSUP grant.**

OJP agrees with the recommendation. In its response, dated September 4, 2025, Snohomish County stated that it believed it had effectively developed and implemented controls to ensure that only allowable and supported costs are charged to the COSSUP grant.

Accordingly, we will coordinate with Snohomish County to obtain a copy of its written policies and procedures, developed and implemented, to ensure that only allowable and supported costs are charged to the COSSUP grant.

9. **We recommend that OJP remedy \$14,075 in unallowable questioned costs associated with the following issues:**

- a) **\$2,537 in unallowable fringe benefit costs.**
- b) **\$2,053 in unallowable client flex fund costs.**
- c) **\$7,335 in unallowable other non-personnel costs.**
- d) **\$2,150 in unallowable indirect costs.**

OJP agrees with the recommendation. To remedy the \$14,075 in questioned costs, related to unallowable costs, charged Grant Number 15PBJA-21-GG-04542-COAP, in its response, dated September 4, 2025, Snohomish County stated that it would work with OJP to remedy all unallowable cost allocations, and that it would review all cost allocations associated with previous invoices. Snohomish County anticipated that its review of all previous invoices would be completed by October 31, 2025.

Accordingly, we will review the \$14,075 in unallowable questioned costs, related to unallowable fringe benefit, client flex fund, other non-personnel, and indirect costs that were charged to Grant Number 15PBJA-21-GG-04542-COAP, and will work with Snohomish County to remedy the costs, as appropriate.

10. **We recommend that OJP remedy \$11,322 in unsupported questioned costs associated with the following issues:**

- a) **\$3,361 in unsupported client flex fund costs.**
- b) **\$7,961 in unsupported other non-personnel costs.**

OJP agrees with the recommendation. To remedy the \$11,322 in questioned costs, related to unsupported costs, charged to Grant Number 15PBJA-21-GG-04542-COAP, in its response, dated September 4, 2025, Snohomish County stated that if it could obtain documentation to support the client flex fund and other non-personnel costs, then a remedy would not be required. In addition, Snohomish County stated that if these costs could not be supported, it would remedy the unsupported costs with OJP.

Accordingly, we will review the \$11,322 in questioned costs, related to unsupported client flex fund and other non-personnel costs that were charged to Grant Number 15PBJA-21-GG-04542-COAP, and will work with Snohomish County to remedy the costs, as appropriate. Snohomish County anticipated that these actions would be completed by September 30, 2025.

11. **We recommend that OJP work with Snohomish County to review historical subrecipient reimbursement requests to identify similar unallowable and unsupported costs and to remedy any questioned costs that are uncovered as a result of the review.**

OJP agrees with the recommendation. In its response, dated September 4, 2025, Snohomish County stated it would systematically review all previous invoices to identify cost allocation errors, because the same mistaken cost allocation methodology was applied to each invoice. In addition, Snohomish County stated that it had reviewed all 16 invoices from 2023-2024, and that it had reached out to its Grant Manager to confirm that its cost allocation adjustments complied with the Uniform Guidance. Moreover, Snohomish County stated that, once it had confirmed all the cost allocation adjustments needed, it would work with OJP to remedy the situation. Snohomish County anticipated that these actions would be completed by October 31, 2025.

12. **We recommend that OJP require Snohomish County develop and implement written policies and procedures to accurately prepare Federal Financial Reports.**

OJP agrees with the recommendation. In its response, dated September 4, 2025, Snohomish County stated that the Budget and Fiscal Administrator had taken the OJP Financial Management Training and had a clearer understanding of what to report in the Federal Financial Reports (FFR). In addition, Snohomish County stated that revising FFRs is not possible, as OJP provides no mechanism for tendering corrected/revised FFRs once they have been submitted. Moreover, Snohomish County stated that its focus had been to complete the remaining FFRs accurately until the end of the grant. Snohomish County anticipated that these actions would be completed by October 31, 2025.

Accordingly, we will coordinate with Snohomish County to obtain a copy of its written policies and procedures, developed and implemented, to accurately prepare FFRs.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact me on (202) 820-6807.

cc: Maureen A. Henneberg
Deputy Assistant Attorney General

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

Tammie Gregg
Acting Director
Bureau of Justice Assistance

cc: Michelle Garcia
Deputy Director for Programs
Bureau of Justice Assistance

Jonathan Faley
Associate Deputy Director
Bureau of Justice Assistance

Erich Dietrich
Associate Deputy Director
Bureau of Justice Assistance

Kathryn Foreman
Associate Deputy Director
Bureau of Justice Assistance

Michael Bottner
Deputy Director, Operations
Bureau of Justice Assistance

Chris Casto
Management and Program Analyst
Bureau of Justice Assistance

Erin Pfeltz
Division Chief
Bureau of Justice Assistance

Kandia Conaway
Grants Management Specialist
Bureau of Justice Assistance

Nathanial Kenser
Acting Deputy General Counsel

Phillip Merkle
Acting Director
Office of Communications

Rachel Johnson
Chief Financial Officer

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

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

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

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

Jorge L. Sosa
Director, Office of Operations – Audit Division
Office of the Inspector General

OJP Executive Secretariat
Control Number OCOM001643

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

The U.S. Department of Justice Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Program (OJP) and Snohomish County. Snohomish County's response is incorporated in Appendix 3 and OJP's response is incorporated in Appendix 4. In its response to our draft audit report, OJP agreed with our recommendations, and as a result, the status of the audit report is resolved. Snohomish County agreed with 11 recommendations and agreed with 1 recommendation in part. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Require Snohomish County to develop and implement written policies and procedures to ensure performance measures are calculated correctly and that source documents to support reported performance measures are retained.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Snohomish County to obtain a copy of the developed and implemented written policies and procedures to ensure performance measures are calculated correctly and that supporting source documents are retained. As a result, this recommendation is resolved.

Snohomish County agreed with our recommendation and stated in its response that the LEAD Program Director will consult with the COSSUP Grant Manager to clarify the performance measure datasets to be included in the required performance reports. Additionally, Snohomish County stated that the LEAD Program Director will coordinate with the Snohomish County Prosecuting Attorney's Office Chief of Staff to develop written policies and procedures to ensure performance measures are calculated correctly and supportive documents are retained.

This recommendation can be closed when we receive evidence that Snohomish County has developed and implemented written policies and procedures to ensure performance measures are calculated correctly and that source documents to support reported performance measures are retained.

- 2. Take appropriate action to ensure that the applicable Snohomish County officials responsible for executing the award adhere to the award requirements, to include compliance with the grant award conditions.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Snohomish County to obtain a copy of the developed and implemented written policies and procedures to ensure that the applicable Snohomish County officials responsible for executing the award adhere to the award requirements, to include compliance with the grant award conditions. As a result, this recommendation is resolved.

Snohomish County agreed with our recommendation and stated in its response that the Prosecuting Attorney's Office Chief of Staff and Budget and Fiscal Administrator have reviewed and discussed the grant award conditions. Additionally, Snohomish County stated that the Budget and Fiscal Administrator will provide the list of grant award conditions to the applicable Snohomish County officials and others, to include the Executive Director and the LEAD Program Director.

This recommendation can be closed when we receive evidence that Snohomish County has taken the appropriate action to ensure that the applicable Snohomish County officials responsible for executing the award adhere to the award requirements, to include compliance with the grant award conditions.

3. Confirm Snohomish County has complied with the three tested award conditions related to grant training, SAM.gov reporting, and pre-publication review of grant-funded materials.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Snohomish County to obtain evidence that Snohomish County has complied with the three tested award conditions related to grant training, SAM.gov reporting, and pre-publication review of grant-funded materials. As a result, this recommendation is resolved.

Snohomish County agreed with our recommendation and stated in its response that the Budget and Fiscal Administrator has completed the OJP Financial Management Grant Administration training and that the LEAD Program Director will also be completing the training. Snohomish County also stated that the Budget and Fiscal Administrator has been assigned the role of Data Entry in SAM.gov for the purpose of reporting the subaward to Subrecipient A and has requested the Entity Administrator to grant her permission for subaward reporting. Further, Snohomish County stated that the LEAD Program Director has worked with the video production vendor and that the disclosure statement has been added to the two LEAD videos. Snohomish County also stated that the LEAD Program Director will submit the videos to BJA for review and approval.

This recommendation can be closed when we receive evidence that Snohomish County has complied with the three tested award conditions related to grant training, SAM.gov reporting, and pre-publication review of grant-funded materials.

4. Require Snohomish County to develop and implement written policies and procedures to provide subrecipients with the necessary federal funding information, which will help promote appropriate management of federal funds that complies with the Uniform Guidance and the DOJ Grants Financial Guide.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Snohomish County to obtain a copy of the developed and implemented written policies and procedures to provide subrecipients with the necessary federal funding information that will help promote appropriate management of federal funds that complies with the Uniform Guidance and the DOJ Grants Financial Guide. As a result, this recommendation is resolved.

Snohomish County agreed with our recommendation and stated in its response that the Budget and Fiscal Administrator will coordinate with the Chief of Staff to develop written policies and procedures to provide subrecipients with the necessary federal funding information, geared toward facilitating appropriate management of federal funds in a manner that complies with the Uniform Guidance and the DOJ Grants Financial Guide.

This recommendation can be closed when we receive evidence that Snohomish County has developed and implemented written policies and procedures to provide subrecipients with the necessary federal funding information, which will help promote appropriate management of federal funds that complies with the Uniform Guidance and the DOJ Grants Financial Guide.

- 5. Require Snohomish County to develop and implement written policies and procedure for subrecipient monitoring, to include financial monitoring and performance monitoring, to ensure Snohomish County monitors subrecipients in accordance with the Uniform Guidance.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Snohomish County to obtain a copy of the developed and implemented written policies and procedures for subrecipient monitoring, to include financial monitoring and performance monitoring, to ensure that Snohomish County monitors its subrecipients in accordance with the Uniform Guidance. As a result, this recommendation is resolved.

Snohomish County agreed with our recommendation and stated in its response that the Budget and Fiscal Administrator will coordinate with the Chief of Staff to develop written policies and procedures for subrecipient monitoring, to include financial monitoring and performance monitoring, to ensure Snohomish County monitors subrecipients in accordance with the Uniform Guidance.

This recommendation can be closed when we receive evidence that Snohomish County has developed and implemented written policies and procedures for subrecipient monitoring, to include financial monitoring and performance monitoring, to ensure Snohomish County monitors subrecipients in accordance with the Uniform Guidance.

- 6. Ensure that Snohomish County performs financial monitoring as required by the Uniform Guidance and the recently developed and implemented Snohomish County's monitoring policy.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Snohomish County to obtain a copy of the revised written policies and procedures, developed and implemented, to ensure that Snohomish County performs financial monitoring required by the Uniform Guidance and its recently developed and implemented monitoring policy. OJP also stated that it will obtain evidence that Snohomish County has performed financial monitoring as required. As a result, this recommendation is resolved.

Snohomish County agreed with our recommendation and stated in its response that they will continue to strengthen their existing policy and checklist on subrecipient monitoring. Snohomish County also stated that the Budget and Fiscal Administrator has requested additional documentation to support transactions from September 2023 to present. Snohomish County stated

that it has reviewed 16 invoices from September 2023 through December 2024 to capture any cost allocation errors since the beginning of the grant award. Further, Snohomish County stated that the Budget and Fiscal Administrator has reached out to the Bureau of Justice Assistance (BJA) Grant Manager and OJP's Office of the Chief Financial Officer (OCFO) regarding specific expenses and allocation of costs to ensure compliance with the Uniform Guidance. The Budget and Fiscal Administrator will make additional adjustments as needed following this consultation.

This recommendation can be closed when we receive evidence that Snohomish County is performing financial monitoring as required by the Uniform Guidance and has developed and implemented Snohomish County's revised monitoring policy.

7. Require Snohomish County to develop and implement written policies and procedures to ensure subrecipient performance reports are reviewed for accuracy.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Snohomish County to obtain a copy of the developed and implemented written policies and procedures to ensure that subrecipient performance reports are reviewed for accuracy. As a result, this recommendation is resolved.

Snohomish County agreed with our recommendation and stated in its response that the LEAD Program Director will coordinate with the Chief of Staff to develop written policies and procedures to ensure subrecipient performance reports are reviewed for accuracy.

This recommendation can be closed when we receive evidence that Snohomish County has developed and implemented written policies and procedures to ensure subrecipient performance reports are reviewed for accuracy.

8. Require Snohomish County to develop and implement controls to ensure that only allowable and supported costs are charged to the COSSUP grant.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Snohomish County to obtain a copy of the developed and implemented written policies and procedures to ensure that only allowable and supported costs are charged to the COSSUP grant. As a result, this recommendation is resolved.

Snohomish County agreed with our recommendation and stated in its response that it believes that it has effectively developed and implemented controls to ensure that only allowable and supported costs are charged to the COSSUP grant. Snohomish County also stated that the Budget and Fiscal Administrator has requested additional documentation to support transactions from September 2023 to present. Snohomish County stated that it has reviewed 16 invoices from September 2023 through December 2024 to capture any cost allocation errors since the beginning of the grant award. Further, Snohomish County stated that the Budget and Fiscal Administrator has reached out to the BJA Grant Manager and OJP's OCFO for consultation on specific expenses and allocation of costs to ensure compliance with the Uniform Guidance.

This recommendation can be closed when we receive evidence that Snohomish County has developed and implemented controls to ensure that only allowable and supported costs are charged to the COSSUP grant.

9. Remedy \$14,075 in unallowable questioned costs associated with the following issues:

- a. \$2,537 in unallowable fringe benefit costs.
- b. \$2,053 in unallowable client flex fund costs.
- c. \$7,335 in unallowable other non-personnel costs.
- d. \$2,150 in unallowable indirect costs.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$14,075 in unallowable questioned costs related to unallowable fringe benefit, client flex fund, other non-personnel, and indirect costs charged to the grant. OJP also stated it will work with Snohomish County to remedy the costs, as appropriate. As a result, this recommendation is resolved.

Snohomish County agreed with our recommendation and stated in its response that it will work with OJP to remedy all unallowable cost allocations. Snohomish County stated that they are reviewing previous invoices to calculate fringe benefit costs in accordance with the grant award; identify all unallowable client flex fund expenditures, all unallowable other non-personnel costs, and all unallowable indirect costs; and exclude them from COSSUP drawdowns. Snohomish County estimated a completion date of October 31, 2025.

This recommendation can be closed when we receive evidence that Snohomish County has remedied the \$14,075 in unallowable questioned costs.

10. Remedy \$11,322 in unsupported questioned costs associated with the following issues:

- a. \$3,361 in unsupported client flex fund costs.
- b. \$7,961 in unsupported other non-personnel costs.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$11,322 in questioned costs related to unsupported client flex fund and other non-personnel costs that were charged to the grant. OJP also stated it will work with Snohomish County to remedy the costs, as appropriate. As a result, this recommendation is resolved.

Snohomish County agreed with our recommendation, in part, and stated in its response that if it can obtain documentation that supports the client flex fund costs and the non-personnel costs, then there will be no need for a monetary remedy. If, however, these costs remain unsupported, then

Snohomish County will remedy them with OJP. Snohomish County estimated a completion date of September 30, 2025.

This recommendation can be closed when we receive evidence that Snohomish County has remedied the \$11,322 in unsupported costs.

11. Work with Snohomish County to review historical subrecipient reimbursement requests to identify similar unallowable and unsupported costs and to remedy any questioned costs that are uncovered as a result of the review.

Resolved. OJP agreed with our recommendation. As a result, this recommendation is resolved.

Snohomish County agreed with our recommendation and stated in its response that it is systemically reviewing all previous invoices to identify cost allocation errors. Snohomish County also stated that it has reviewed 16 invoices from September 2023 through December 2024 and has reached out to the BJA Grant Manager to confirm that the cost allocation adjustments comply with the Uniform Guidance. Further, Snohomish County stated that it will work with OJP to remedy the situation once it has confirmed all the cost allocation adjustments needed. Snohomish County estimated a completion date of October 31, 2025.

This recommendation can be closed when we receive evidence that Snohomish County has reviewed historical subrecipient reimbursement requests to identify similar unallowable and unsupported costs and remedied any questioned costs uncovered as a result of the review.

12. Require Snohomish County develop and implement written policies and procedures to accurately prepare Federal Financial Reports (FFR).

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Snohomish County to obtain a copy of the developed and implemented written policies and procedures to accurately prepare FFRs. As a result, this recommendation is resolved.

Snohomish County agreed with our recommendation and stated in its response that the Budget and Fiscal Administrator has taken the OJP Financial Management Training and has a clearer understanding of what to report in the FFRs. Snohomish County also stated that its focus has been to complete the remaining FFRs accurately until the end of the grant as revising submitted FFRs is not possible. Snohomish County estimated a completion date of October 31, 2025.

This recommendation can be closed when we receive evidence that Snohomish County has developed and implemented written policies and procedures to accurately prepare FFRs.