AUDIT OF THE BUREAU OF JUSTICE ASSISTANCE AWARD TO THE CLARKE COUNTY, VIRGINIA SHERIFF'S DEPARTMENT

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

Audit Report GR-30-13-001
March 2013

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AUDIT OF THE BUREAU OF JUSTICE ASSISTANCE AWARD TO THE CLARKE COUNTY, VIRGINIA SHERIFF'S DEPARTMENT

EXECUTIVE SUMMARY

The Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of grant number 2010-DD-BX-0690, covering grant activity from October 1, 2010 through October 11, 2012, in the amount of $1,000,000 awarded to the Clarke County, Virginia Sheriff's Department (Sheriff's Department). The Sheriff's Department is the fiscal agent for the Northwest Virginia Regional Gang Task Force (Task Force), which is comprised of a detective from Clarke County, Page County, Shenandoah County, Frederick County, Winchester City, and Warren County. Created in 2004, the Task Force seeks to counter gang-related violence and property crimes in Northwest Virginia.

We conducted this audit to determine whether costs claimed under the grant were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the award.

Our audit found that the transactions were, in general, properly authorized, classified, supported, and charged to the grant. However, the Sheriff's Department could improve its internal controls to ensure compliance with DOJ grant requirements. During the audit, we found the Sheriff's Department did not follow their own procedures for sole source procurements, and did not have sufficient support for payroll and fringe benefits allocated to the grant by its subgrantees. Consequently, we have questioned unsupported subgrantee payroll and fringe benefits allocations totaling $30,940.[1]

Our report contains 2 recommendations. We discussed the results of our audit with Sheriff's Department officials and have included their comments in the report.

[1] Questioned costs are expenditures that do not comply with legal, regulatory or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

Table of Contents

INTRODUCTION

The Office of the Inspector General, Audit Division, has completed an audit of grant 2010-DD-BX-0690, covering grant activity from October 1, 2010 through October 11, 2012, in the amount of $1,000,000 awarded to the Clarke County, Virginia Sheriff's Department (Sheriff's Department) from the Bureau of Justice Assistance (BJA). The Sherriff's Department is the fiscal agent for the Northwest Virginia Regional Gang Task Force (Task Force), which is comprised of a detective from Clarke County, Page County, Shenandoah County, Frederick County, Winchester City, and Warren County.

Created in 2004, the Task Force seeks to counter gang-related violence and property crimes in Northwest Virginia. The Task Force's objectives are to 1) utilize resources to identify, apprehend, and prosecute gang offenders; 2) work closely with federal agencies to identify, investigate, and prosecute gang members responsible for violent crimes; 3) gather and disseminate intelligence information through crime reporting databases; 4) continue to conduct presentations developed for schools, hospitals, law enforcement, and civil organizations to promote gang awareness; and 5) continue to enroll Task Force investigators in advanced gang-enforcement seminars and specialized training.

Audit Approach

We conducted this audit to determine whether costs claimed under the grant are allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award. To accomplish this objective, we tested compliance with what we considered the most important conditions of the grant. Unless otherwise stated in the report, we used the Office of Justice Programs (OJP) Financial Guide (Financial Guide) to assess the Sherriff's Department's performance and compliance with grant requirements.[2]

[2] The Financial Guide serves as a reference manual that provides guidance to award recipients on the fiduciary responsibility to safeguard award funds and to ensure funds are used appropriately. OJP requires award recipients to abide by the requirements in the Financial Guide.

Specifically, we tested what we believed to be critical award requirements necessary to meet the objectives of the audit, including:

- **Reporting** to determine if the required federal financial reports and progress reports were submitted timely and accurately reflect grant activity;

- **Drawdowns** to determine whether grant drawdowns were adequately supported and if the grantee was managing receipts in accordance with federal requirements;

- **Budget Management and Control** to ensure that the Sheriff's Department appropriately tracked costs to approved budget categories;

- **Grant Expenditures** to determine the accuracy and allowability of costs charged to the grant; and

- **Contract Management** to ensure compliance with overall financial management requirements for procurements.

The award did not include program income, matching funds, or indirect costs. The results of our analysis are discussed in detail in the Findings and Recommendations section of the report. Appendix I contains additional information on our objective, scope, and methodology.

FINDINGS AND RECOMMENDATIONS

COMPLIANCE WITH ESSENTIAL AWARD REQUIREMENTS

Our audit found that the transactions were, in general, properly authorized, classified, supported, and charged to the grant. However, the Sheriff's Department could improve its internal controls to ensure compliance with DOJ grant requirements. During the audit, we found the Sheriff's Department did not follow their own procedures for sole source procurements and did not have sufficient support for payroll and fringe benefits allocated to the grant by its subgrantees. Consequently, we have questioned $30,940 of unsupported subgrantee payroll and fringe benefits allocations.

Reporting

The special conditions of the grant require that the Sheriff's Department comply with administrative and financial requirements outlined in the Financial Guide and the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* (OMB Circular A-133).[3] The Financial Guide requires that grantees submit both financial and program progress reports to inform awarding agencies on the status of each award. Federal Financial Reports (FFRs) should detail the actual expenditures incurred for each quarterly reporting period, while progress reports should be submitted semiannually and describe the performance activities and achievements of the project supported by each award.

Because accurate and timely FFRs and progress reports are necessary to ensure that DOJ awarding agencies can effectively monitor award activities and expenditures, we reviewed the Sheriff's Department's reports for grant number 2010-DD-BX-0690. As detailed in the following sections, the Sheriff's Department did not submit all required FFRs and progress reports in a timely manner. Additionally, while we were able to verify that progress reports accurately reflected actual program accomplishments, FFRs did not accurately report grant expenditure activity due to small adjustments made after the FFRs were submitted.

[3] OMB Circular A-133 requires non-federal entities that expend at least $500,000 a year in federal awards to have a single audit conducted of its financial statements. The purpose of the single audit is to determine whether the financial statements and schedule of expenditures of federal awards are presented fairly in all material respects and in conformity with generally accepted accounting principles.

Federal Financial Reports

DOJ awarding agencies monitor the financial performance of each grant via FFRs. According to the Financial Guide, FFRs should be submitted within 30 days of the end of each quarterly reporting period. Even when there have been no outlays of grant funds, a report containing zeroes must be submitted. Awarding agencies may withhold funds or future awards if reports are submitted late, or not at all.

To verify the timeliness of the FFRs, we tested the last four reports submitted for the audited period, which included grant activity through the grantee's accrual general ledger as of June 30, 2012. We compared the submission date of each report to the date each report was due, and found that the FFR for the period October 1, 2011 through December 31, 2011 was submitted one day late. Consequently, the grantor withheld the grantee's funds. However, the grantee was able to rectify the situation within a day.

The Financial Guide indicates that a grantee's accounting system for reporting must support all amounts reported on the FFRs. To verify the accuracy of the FFRs, we discussed the FFR processes with the responsible Clarke County accountant and the Task Force's analyst, compared the amounts reported on the last four FFRs to expenditures recorded in the grant's accounting records through June 30, 2012, and reviewed the grantee's adjustments. Based on our testing, we have concluded that the FFRs do not reconcile to the financial records. However, the small differences noted are related to subsequent adjustments the grantee has accounted for reasonably.

Progress Reports

While FFRs report grant financial activity, progress reports describe the project status and accomplishments of the DOJ grant supported program or project. Progress reports should also describe the status of the project and compare actual accomplishments to anticipated grant objectives. According to the Financial Guide, grantees are required to submit progress reports every six months during the performance period of the award. Progress reports are due 30 days after the end of each semi-annual reporting period, June 30 and December 31. DOJ awarding agencies may withhold grant funds if grantees fail to submit accurate progress reports on time.

To assess whether the Sheriff's Department submitted progress reports on time, we reviewed the last four progress reports and compared the submission dates to the due date for each progress report. Two of the

four progress reports tested were not submitted in a timely manner.[4] Since, the last two progress reports were submitted on time and the late progress reports were remedied quickly, we consider the late progress reports to be an isolated occurrence.

To determine if the Sheriff's Department's progress reports contained achievements related to its program goals and objectives, we analyzed and compared the progress reports for the periods July 2011 through December 2011 and January 2012 through June 2012 to the program objectives. Based on our review, the Sheriff's Department was reporting achievements related to its program goals and objectives to BJA.

To assess the accuracy of the progress reports, we selected a sample of seven reported achievements for the periods July 2011 through December 2011 and January 2012 through June 2012 and compared them to source documentation. From our review, we determined the progress reports accurately reflected program goals and achievements as set forth in the grant documentation.

Drawdowns

To obtain DOJ award money, award recipients must electronically request grant funds via drawdowns. The Financial Guide states that award recipients should only request federal award funds when they incur or anticipate project costs. Therefore, recipients should time their requests for award funds to ensure they will have only the minimum federal cash on hand required to pay actual or anticipated costs within 10 days.

According to the Sheriff's Department's grant management personnel, drawdown requests are based on reimbursements of expenses for salaries, fringe benefits, contractor costs, travel, equipment, and other costs.[5] The Sheriff's Department confirmed that their policy is to request a drawdown each quarter for grantee and subgrantee expenses. To ensure that the Sheriff's Department requested funds properly and kept minimum cash on hand, we analyzed its drawdowns to date and compared the overall amount to grant's general ledger. Overall, we found that the amounts drawn down did not exceed the expenditures in the accounting records.

[4] Progress report for the period October 2010 through December 2010 was submitted 2 days late and progress report January 2011 through June 2011 was submitted 17 days late. The late reports caused a withholding of funds.

[5] Other costs include lease payments for a task force office building, telecommunication services, and conference registration.

Budget Management and Control

Grantees should expend funds according to the budget approved by the awarding agency and included in the final award. Approved award budgets document how much the recipient is authorized to spend in high-level budget categories, such as personnel, supplies, and contractors. The Financial Guide also states that award recipients may request a modification to approved award budgets to reallocate amounts between various budget categories within the same award. No prior approval is required if the reallocations between budget categories do not exceed 10 percent of the total award amount. We compared the actual amounts spent in each budget category to the budgeted amounts in the same categories. For award 2010-DD-BX-0690, the Sheriff's Department adhered to the Financial Guide requirements.

Grant Expenditures

According to 2 C.F.R. § 225 *Cost Principles for State, Local, and Indian Tribal Governments*, costs are allowable if they are reasonable, consistently applied, adequately documented, comply with policies and procedures, and conform to any limitations or exclusions specified in applicable criteria. As of June 30, 2012, the Sheriff's Department's general ledger reported $397,378 in project costs associated with grant 2010-DD-BX-0690. We tested $187,679 (47 percent) in expenses charged to the grant to ensure they were allowable, and identified $30,940 in questioned costs.[6] Exhibit 1 displays by type of sampled cost, the total value of the expenditures in each category, and the amount of questioned costs our testing identified.

[6] Questioned costs are expenditures that do not comply with legal, regulatory or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

Exhibit 1: Summary of Review of Grant Expenditures

Type of Cost	Total General Ledger Costs ($)	Total Costs Tested ($)	Questioned Costs ($)
Personnel Costs	62,336	7,241	0
Fringe Costs	23,541	2,630	0
Subgrantee Costs	276,668	152,191	30,940
Equipment	14,430	6,142	0
Other Direct Costs	20,403	19,475	0
TOTAL	**$ 397,378**	**$187,679**	**$ 30,940**

Source: Grant's general ledger and OIG analysis of total questioned costs.

Personnel Costs

The personnel costs of the grant include the salary and fringe benefits of the one task force detective representing the grant's fiscal agent, the Sheriff's Department of Clarke County, Virginia. The salary and fringe benefits for the other five detectives participating in the task force are billed to the fiscal agent by their respective counties and included in the account entitled Subgrantee Costs.

We interviewed the payroll accountant responsible for the grant's payroll. The payroll for the Sheriff's Department, and the grant, is processed through the Clarke County accounting department. County payroll is processed once a month and each month's payment is made on the last day of the month. The assistant deputy sheriff provides the Clarke County payroll accountant with the detective's monthly timesheet and a list of any changes to the detective's regular pay, such as overtime. Since each of the detectives is budgeted as 100 percent dedicated to the task force, all of the Clarke County detective's salary and fringe benefits is automatically allocated to the grant.

Salaries

To determine if the grantee's allocation of labor was accurate, we selected two pay periods (March 2011 and June 2012) to test. We recalculated the Clarke County detective's salary based on the county's list of general government salaries and compared our salary calculation to the salary recorded in the county's payroll register and general ledger. Based on the tests performed, we determined that the Clarke County detective's salary is properly and accurately charged to the grant.

Fringe Benefits

When Clarke County employees work on grant projects, Clarke County incurs costs associated with providing its employees fringe benefits such as payroll taxes, health insurance, and pension plan contributions. To allocate the cost of fringe benefits to the DOJ grant, OJP approved an amount the grantee can charge the grant for the award period. We reviewed the fringe benefits amount allowed in the approved budget and calculated a monthly amount allowed. We compared the monthly amount allowed to the amounts charged for the months tested, and determined that a reasonable amount of fringe benefits costs were charged to the grant for the Clarke County detective.

Other Direct Costs

We selected a judgmental sample of 15 transactions from award 2010-DD-BX-0690 totaling $177,808 to determine if the charges were allowable and allocable to the award. As shown in Exhibit 2, we questioned $30,940 of subgrantee costs.

Exhibit 2: Summary of Questioned Subgrantee Costs

General Ledger			Questioned Amount ($)	Note
Account Description	Date	Amount ($)		
Salary and Fringe Benefits	07/31/2012	14,412	14,412	Unsupported allocation
Salary and Fringe Benefits	02/15/2012	10,859	10,859	Unsupported allocation
Salary and Fringe Benefits	02/15/2012	5,669	5,669	Unsupported allocation
TOTAL		**$30,940**	**$30,940**	

Source: OIG analysis of the grant's general ledger and supporting documentation.

Unsupported Allocation of Salaries and Fringe Benefits

The Sheriff's Department of Clarke County is the fiscal agent for the Task Force grant, and there are five detectives from five neighboring counties participating in the Task Force. Each of the neighboring counties submits a reimbursement request to the Sheriff's Department for the salary and fringe benefits costs of each county's participating detective. These participating counties are considered subgrantees.

As noted in the grant's OJP approved budget narrative, the participating Task Force detectives are 100 percent dedicated to the Task

Force, and all of their salary and fringe benefits costs should be allocated to the grant. During our transaction testing, we noted four transactions in which the participating detective fulfilled responsibilities in addition to his Task Force responsibilities. For instance, with one of the transactions, the detective spent a portion of his time working for his respective county's SWAT Team.

According to the Financial Guide, grant recipients who work on multiple programs or cost activities must reasonably allocate their labor costs to each activity based on time and effort reports, more commonly referred to as timesheets. These timesheets must reflect an after-the-fact distribution of the actual activity of the employee, account for the total activity for which the employee is compensated, be prepared to coincide with one or more pay periods, and be signed by the employee and approved by a supervisor with firsthand knowledge of the work performed.

In reviewing the supporting documentation for the transactions in Exhibit 2, we noted that none of these transactions was supported by adequate timesheets showing time spent working on multiple projects during the pay periods tested. Instead, the subgrantees provided supporting timecards showing total hours worked each day of the pay periods. Consequently, we could not determine the allocation rationale for the three transactions in Exhibit 2, and we question the total $30,940 of salaries and fringe benefits costs. We recommend OJP remedy $30,940 in unsupported allocations of salaries and fringe benefits costs.

Monitoring Subgrantees

In testing the sample of 15 transactions, we noted that the grantee does not monitor or review the requests for reimbursement from the subgrantees. Instead, the grantee accumulates the supporting documents accompanying the reimbursement request and approves the amount to pay the subgrantee. There is no determination whether the costs paid are accurately calculated, complete, or in conjunction with the approved grant budget.

We discussed with the grantee their requirements to monitor subgrantees' reimbursement requests to ensure the requests are accurately calculated, complete, and in conjunction with the approved grant budget. In response to our discussions, the grantee implemented a new process that each reimbursement request has a coversheet that requires a reviewer's signature attesting that the reimbursement was reviewed prior to payment. Since the grantee has addressed our concerns, we make no further recommendation.

Contract Management

According to grant officials, the Sheriff's Department follows the Clarke County Department of Joint Administrative Services Procurement Policies and Procedures Revised November 1, 2010 in accounting for grant transactions.

During our testing of a sample of grant transactions, we noted the purchase of a budget approved forensic extraction device, known as a CelleBrite machine. In discussion with the grantee, we determined that this machine was purchased under sole source authority. According to the Clarke County purchasing policies, an account manager who has determined that only one source exists for a specific good or service with an estimated dollar value of greater than $800 must forward a signed statement to that effect, supported by factual data, to a purchasing agent with the purchase requisition. After reviewing the factual information, the purchasing agent will approve or disapprove the purchase as a sole source procurement.

We were provided with the supporting documentation for the CelleBrite purchase; however, we were not provided with documentation that the account manager determined that only one source existed for the forensic extraction device. Therefore, we recommend that OJP ensure the grantee follow its procurement policies by documenting the rationale for sole source procurements.

Recommendations

We recommend that OJP:

1. Remedy the $30,940 in unsupported allocations of salaries and fringe benefits costs.

2. Ensure the grantee follows its procurement policies and include documentation of factual data that supports an account manager's determination that a sole source procurement is justified.

SCHEDULE OF DOLLAR-RELATED FINDINGS

QUESTIONED COSTS:[7]	**AMOUNT ($)**	**PAGE**
Unsupported Subgrantee Costs		
Salaries and Fringe Benefits Costs	30,940	**8**
Total Unsupported Costs	**$30,940**	
Total Questioned Costs	**$30,940**	

[7] Questioned costs are expenditures that do not comply with legal, regulatory or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

APPENDIX I

OBJECTIVES, SCOPE, AND METHODOLOGY

The purpose of this audit was to determine whether reimbursements claimed for costs under the grant reviewed were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. The objective of our audit was to review performance in the following areas: (1) federal financial reports and progress reports, (2) drawdowns, (3) budget management and control, (4) expenditures, and (5) contract management.

We conducted this 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.

Our audit concentrated on grant number 2010-DD-BX-0690 in the amount of $1,000,000 to the Clarke County, Virginia Sheriff's Department (Sheriff's Department) awarded by the Bureau of Justice Assistance. The Sherriff's Department uses these funds to support the Northwest Virginia Regional Gang Task Force (Task Force). Created in 2004, the Task Force seeks to counter gang-related violence and property crimes in the Northwest Virginia region.

We tested compliance with what we considered to be the most important conditions of the award. Unless otherwise stated in our report, the criteria we audit against are contained in the OJP Financial Guide and the award documents.

In conducting our audit, we performed sample testing in the following areas:

- **Drawdowns.** We analyzed the Sheriff's Department's overall drawdowns of $396,611 for the DOJ award from October 1, 2010 through October 11, 2012. The overall drawdowns did not exceed the total expenditures per the grant's general ledger.

- **Payroll.** We interviewed the Clarke County payroll accountant regarding timekeeping and the charging of personnel costs to the grant. To determine whether the grant's labor costs were supported and allowed, we judgmentally selected two pay periods (March 2011 and June 2012) to test. We recalculated salary figures based on the county's list of general government salaries and compared the salary recalculations with Clarke County's payroll register and the grant's general ledger. We reviewed the fringe benefits amount allowed in the approved budget and compared the monthly amount allowed to the amounts charged for the months tested and determined that a reasonable amount of fringe benefits costs were charged to the grant.

- **Transactions.** To test the grant's transactions for authorizations, approvals, and sufficient supporting documentation, we judgmentally selected 15 non-payroll transactions totaling $177,808. We analyzed the transactions to determine if the transactions were properly authorized, classified, recorded, supported, and charged to the grant.

- **Contract Management.** We interviewed grantee officials regarding the analysis, negotiation, and available documentation maintained in connection with grant procurements. Based on our analysis of an equipment purchase, we determined whether the grantee was following procurement policies for sole source procurements.

In addition, we reviewed the timeliness and accuracy of financial status and progress reports and reviewed the internal controls of the financial management system.

APPENDIX II

CLARKE COUNTY, VIRGINIA SHERIFF'S OFFICE RESPONSE TO THE DRAFT REPORT

CLARKE COUNTY
SHERIFF'S OFFICE

Anthony W. Roper
Sheriff

P.O. Box 49
100 North Church St.
Berryville, VA 22611

540-955-1234
(24-hour Non-emergency Line)
540-955-5152 (Office)
540-955-4111 (Fax)

www.clarkecounty.gov

February 19, 2013

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

Dear Mr. Meyer:

I have reviewed your draft audit report, dated February 5, 2013. I do not concur with the recommendations enumerated on page 10 of the draft report.

Recommendation 1 requires a remedy for unsupported allocation of salaries and fringe benefits. The recommended remedy has a cost of $30,940.

Clarke County, the fiscal agent for this grant, manages the payments for several members of our regional gang task force. The particular allocations questioned in Recommendation 1 involve payments to a sub-grantee, Shenandoah County. During the audit process, Clarke County learned that we were perhaps not utilizing best practices in tracking time sheets for the reimbursement of sub-grantee expenditures. This process has been refined, and documentation is now in-line with these practices.

The sub-grantee, while now complying with the new reporting procedures, contends that the allocation in question is appropriate, necessary, and fulfills the requirements stated in the grant. I have attached a letter from the sub-grantee, who retains all of the necessary documentation in addition to Clarke County. This letter is labeled "Attachment 1 ".

Recommendation 2 requires Clarke County to follow their procurement policies when making purchases. I have attached documentation, "Attachment 2", from Clarke County that indicates the purchase of the Cellebrite equipment met all requirements. I understand that there may have been a lack of documentation on the part of the account manager and this will be remedied.

This grant has funds remaining, and the operation that is supported by the funding continues. If the final determination from the grants manager is that sub-grantee Shenandoah County is required to remedy the stated amount in Recommendation 1, provisions will be made to accomplish this. There are no additional purchases for goods required by this grant. As such, sole source purchases will no longer be an issue.

The staff members from the Office of Inspector General who conducted this audit were professional, friendly, and represented the Department of Justice positively. Frank Roller, Michael Pannone, and Carrie Fleming were available for questions, and explained the entire process. We learned from the process, and are better prepared to manage this grant to its conclusion.

I look forward to hearing from you. If I can be of further service, please don't hesitate to call.

Regards,

Anthony W. Roper
Sheriff

Attachments: 1) February 15, 2013 Letter from Sheriff Timothy Carter, Shenandoah County
2) February 15, 2013 Memorandum and Attachment from Mike Legge, Clarke County Purchasing Manager

cc: David Ash, County Administrator, Clarke County, Virginia

Attachment 1

Sheriff Timothy C. Carter
SHENANDOAH COUNTY SHERIFF'S OFFICE
109 West Court Street · Woodstock, Virginia 22664
(540) 459-6100 FAX (540) 459-6114 Email: sheriff@shencosheriff.com
www.shencosheriff.com

15 February 2013

The Honorable,
Sheriff Anthony Roper
P.O. Box49
Berryville, VA 22611

Re: Gang Grant Audit- 201 0-DD-BX-0690

Dear Sheriff Roper,

This Office has a full time detective/investigator assigned to the Northwest Virginia Gang Task Force. His time is dedicated 100% to accomplish the objectives of the NWVGTF. My Office has implemented a significant effort, including an immediate policy enhancement to comply with OJP Financial Guidelines for timesheets. This will enable my Office and the Grantee to provide evidence of a prospective basis to easily track gang investigative work and related tasks, as well as track current and future grant funds.

Furthermore, our enhancements include compliance with OJP Financial Guidelines in that all cost activities are reflected on timesheets that show after-the-fact distribution of actual activity of the investigator, account for the total activity for which we compensate the investigator, coincide with the applicable pay period(s), and signed by the investigator and his approved supervisor with firsthand knowledge of the work performed.

Please let me know if you require any additional information regarding this matter. Thank you.

Sincerely,

Timothy C. Carter
Sheriff
Shenandoah County

Attachment 2-1

County of Clarke
Joint Administrative Services- Purchasing Department

DATE: February 15, 2013

TO: Brenda Bennett

FROM: Mike Legge,
Purchasing Manager
Clarke County Department of Joint Administrative Services

RE: Cellebrite Purchase Order #07163

COMMENTS:

At the recommendation of an audit prepared by the USDOJ, you asked that I review a purchase that the Clarke County Sheriff's Office made from Cellebrite USA Corporation on September 12, 2011.

In section 4.2 of the County's Procurement Policies and Procedures, the following rule applies to the purchase of goods totaling over $800, but less than $25,000.00:

> *The Account Manager shall prepare a Purchase Requisition that includes a clear and thorough description of the goods and a date when the goods are needed. The Account Manager and an Executive must sign the requisition before forwarding it to the Purchasing Office. The Account A1anager should also suggest sources where the* goods/services *can be procured.*
>
> *The Purchasing Qffice, upon receipt of a signed Purchase Requisition, will solicit a minimum a three (3) competitive written or telephonic bids. The administrative lead-time may take up to fifteen (15) days. It is recommended that the Account Manager attempt to obtain three quotes and complete a Bid/Quote Tabulation Form to expedite the process. The Account Manager is also encouraged to provide the Purchasing Qffiice with a Purchase Order number from a previous order if the item/service has been ordered in the past."*

The audit stated that the grantee reported that this purchase was done so under sole source authority. Although the County of Clarke received notification from the vendor that they were the sole source and 1iotification from the Department of Homeland Security that they were purchasing a Universal Forensic Extraction Device through a sole source purchase order, the County decided not to declare this a sole source purchase and went a step farther and attempted to solicit additional quotes in an effort to encourage competition and to provide other vendors with an opportunity to provide a quote or a comparable product.

129 Ransburg Lane
Berryville, VA 22611
Telephone: [540] 955-5185
Fax: [540] 955-0456

This purchase was not declared a sole source procurement because an attempt to seek competition and receive other quotes was made. The County's policies regarding this purchase were handled correctly because an effort was made by Chief Deputy Mike McWilliams to solicit additional quotes from First Choice Group and GRRASP Inc.

I am attaching a letter signed by Chief Deputy Mike McWilliams that documents his effort to solicit other quotes.

If you have any questions, please let me know.

Attachment 2-3

Clarke County Sheriff's Office

Anthony W. Roper, Sheriff

100 North Church Street
Berryville, Virginia 22611-1110
Telephone 540-955-1234
Facsimile 540-955-4111

9/7/11

To whom it may concern:

In the process of attempting to obtain quotes for a CelleBrite UFED, I contacted FirstChoice Group and GRRASP Inc and both companies are unable to provide quotes.

MF McWilliams
Chief Deputy
Clarke County Sheriff's Office

APPENDIX III

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

March 7, 2013

MEMORANDUM TO: Troy M. Meyer
Regional Audit Manager
Washington Regional Audit Office
Office of the Inspector General

/s/

FROM: Maureen A. Henneberg
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Bureau of Justice Assistance Award to the Clarke County, Virginia Sheriff's Department*

This memorandum is in response to your correspondence, dated February 5, 2013, transmitting the subject draft audit report for the Clarke County, Virginia Sheriff's Department (Sheriff's Department). We consider the subject report resolved and request written acceptance of this action from your office.

The draft audit report contains **two** recommendations and **$30,940** in questioned costs. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

1. We recommend that OJP remedy the $30,940 in unsupported allocations of salaries and fringe benefits costs.

We agree with the recommendation. We will coordinate with the Sheriff's Department to remedy the $30,940 in unsupported allocations of salaries and fringe benefits costs.

2. We recommend that OJP ensure that the grantee follow their procurement policies and include documentation of factual data that supports an account manager's determination that a sole source procurement is justified.

We agree with the recommendation. We will coordinate with the Sheriff's Department to obtain a copy of procedures implemented to ensure that procurement policies are adhered to, and include documentation of factual data that supports an account manager's determination that sole source procurement is justified.

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

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

Tracey Trautman
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Justice Management Division

OJP Executive Secretariat
Control Number 20130116

APPENDIX IV

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

The Department of Justice (DOJ) Office of the Inspector General (OIG) provided a draft of this audit report to the Clarke County, Virginia Sheriff's Office (Sheriff's Office) and the Office of Justice Programs (OJP). The responses are incorporated respectively as Appendices II and III of this final report. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

1. **Resolved.** OJP concurs with our recommendation that requires the grantee to remedy the $30,940 in unsupported allocations of salaries and fringe benefits costs. OJP stated in its response that it will coordinate with the Sheriff's Department to remedy the $30,940, which includes one reimbursement to Warren County for $10,859 and two reimbursements to Shenandoah County for $20,081.

   The Clarke County Sheriff's Department stated that the questioned allocations involved payments to a subgrantee, Shenandoah County; however, the questioned allocations involve both Shenandoah and Warren Counties. Shenandoah contends that the allocations in question are appropriate, necessary, and fulfill the requirements of the grant. Additionally, Shenandoah County has made alterations to its timekeeping procedures to ensure that timesheets allow for investigators to appropriately allocate and record their time based on actual time spent on each project or grant.

   This recommendation can be closed when we have evidence that OJP has remedied the $30,940 of unsupported salaries and fringe benefit allocations.

2. **Resolved.** OJP concurs with our recommendation that requires the grantee to follow Clarke County procurement policies and include documentation of factual data that supports an account manager's determination that a sole source procurement is justified. OJP states in its response that it will coordinate with the Sheriff's Department to obtain a copy of procedures implemented to ensure that procurement policies are adhered to, and include documentation of factual data that

supports an account manager's determination that sole source procurement is justified.

This recommendation can be closed when OJP provides evidence that the Sheriff's Department has followed Clarke County sole source procurement policies to include documentation of factual data that supports an account manager's determination that a sole source procurement is justified.