



**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
NATIONAL INSTITUTE OF JUSTICE
DNA BACKLOG REDUCTION PROGRAM AWARDS
ADMINISTERED BY
THE DUPAGE COUNTY SHERIFF'S DEPARTMENT
WHEATON, ILLINOIS**

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

Audit Report GR-50-14-005
May 2014

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EXECUTIVE SUMMARY

The Department of Justice (DOJ), Office of the Inspector General, Audit Division, has completed an audit of cooperative agreement number 2011-DN-BX-K517 and grant number 2012-DN-BX-0116 awarded by the Office of Justice Programs (OJP), National Institute of Justice (NIJ) to the DuPage County, Illinois, Sheriff's Department in the amount of \$349,561 and \$300,326, respectively.¹ These awards were part of OJP's DNA Backlog Reduction Program. The DNA Backlog Reduction Program is designed to assist eligible states and units of local government to process, record, screen, and analyze forensic DNA and/or DNA database samples. Additionally, the program assists eligible states and units of local government to increase the capacity of public forensic DNA and DNA database laboratories to process more DNA samples, thereby helping to reduce the number of forensic DNA and DNA database samples awaiting analysis.

The purpose of this audit was to determine whether reimbursements claimed for costs under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grants, and to determine program performance and accomplishments. The objective of our audit was to review performance in the following areas: (1) accounting and internal control environment; (2) drawdowns; (3) supplanting; (4) grant expenditures, including personnel costs; (5) accountable property; (6) federal financial and progress reports; (7) grant requirements; (8) program performance and accomplishments; and (9) monitoring of contractors. We determined that local matching funds, indirect costs, program income, and monitoring of sub-grantees were not applicable to these grants.

As of June 26, 2013, the grantee had drawn down \$78,273 of the \$349,561 in grant funds for grant number 2011-DN-BX-K517 and had recorded expenditures of \$150,975 in its grant accounting records associated with this

¹ The NIJ awarded a cooperative agreement instead of a grant for one of these awards. Cooperative agreements are used when substantial collaboration is anticipated between the grantor and the grantee. Cooperative agreements are subject to the same rules as grants, and we used the term "cooperative agreement" interchangeably with "grant" in this report.

grant.² As of this same time period, the grantee had not drawn down any grant funds or recorded any grant-related expenditure for grant number 2012-DN-BX-0116. We examined the DuPage County Sheriff's Department's grant accounting records, required reports, and operating policies and procedures. Our audit revealed the following:

- The DuPage County Sheriff's Department's internal accountable property listings did not adequately identify equipment as purchased with federal funds, as required by the grant;
- The DuPage County Sheriff's Department did not submit the required progress reports in a timely manner, and the reports inaccurately reflected performance metrics; and
- The DuPage County Sheriff's Department required contractors to submit weekly invoices that reflect the costs of the services provided and the actual work completed. However, there was no clear indication that the DuPage County Sheriff's Department certified that the costs and work completed were consistent with the contract's terms and conditions prior to submitting the invoices for payment.

Our report contains three recommendations to address the preceding issues, which are discussed in detail in the Findings and Recommendations section of the report.

² The grantee draws down grant funds on a quarterly basis; requesting reimbursement at the same time it submits the quarterly financial activity reports. At the time of fieldwork, the grantee had drawn down funds for expenses incurred through March 31, 2013. However, the grantee's accounting records reflected additional grant-related expenses incurred from April 1, 2013, through June 26, 2013, for which the grantee would be requesting reimbursement following the quarter ending June 30, 2013. As a result, the grantee had incurred more grant-related expenses than it had drawn down at the time of fieldwork.

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INTRODUCTION

The Department of Justice (DOJ), Office of the Inspector General, Audit Division, has completed an audit of cooperative agreement number 2011-DN-BX-K517 and grant number 2012-DN-BX-0116 awarded by the Office of Justice Programs (OJP), National Institute of Justice (NIJ) under the DNA Backlog Reduction Program to the DuPage County, Illinois, Sheriff's Department.³ As shown in the following table, the DuPage County Sheriff's Department was awarded a total of \$649,887 under these grants. The DNA Backlog Reduction Program is designed to assist eligible states and units of local government to process, record, screen, and analyze forensic DNA and/or DNA database samples. Additionally, the program assists eligible states and units of local government to increase the capacity of public forensic DNA and DNA database laboratories to process more DNA samples, thereby helping to reduce the number of forensic DNA and DNA database samples awaiting analysis.

FIGURE 1 – OFFICE OF JUSTICE PROGRAMS' GRANTS AWARDED TO THE DUPAGE COUNTY SHERIFF'S DEPARTMENT

GRANT AWARD	AWARD START DATE	AWARD END DATE	AWARD AMOUNT
2011-DN-BX-K517	10/01/2011	03/31/2014 ⁴	\$349,561
2012-DN-BX-0116	10/01/2012	03/31/2014	300,326
Total:			\$649,887

Source: OJP

The purpose of this audit was to determine whether reimbursements claimed for costs under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grants, and to determine program performance and accomplishments. The

³ The NIJ awarded a cooperative agreement instead of a grant for one of these awards. Cooperative agreements are used when substantial collaboration is anticipated between the grantor and the grantee. Cooperative agreements are subject to the same rules as grants, and we used the term "cooperative agreement" interchangeably with "grant" in this report.

⁴ The award end date includes a no-cost extension granted by OJP. The original end date was March 31, 2013.

objective of our audit was to review performance in the following areas: (1) accounting and internal control environment; (2) drawdowns; (3) supplanting; (4) grant expenditures, including personnel costs; (5) accountable property; (6) federal financial and progress reports; (7) grant requirements; (8) program performance and accomplishments; and (9) monitoring of contractors. We determined that local matching funds, indirect costs, program income, and monitoring of sub-grantees were not applicable to these grants.

Background

OJP's mission is to increase public safety and improve the fair administration of justice across America through innovative leadership and programs. OJP seeks to accomplish its mission by disseminating state-of-the-art knowledge and practices across America and providing grants for the implementation of these crime fighting strategies. To support this mission, the NIJ provides objective and independent knowledge and tools to reduce crime and promote justice, particularly at the state and local levels.

The DuPage County Sheriff's Department's Crime Forensic Science Center (FSC) was established in May 1971 and is located in Wheaton, Illinois, approximately 30 miles west of Chicago. The FSC analyzes DNA and biological evidence for all law enforcement agencies in the county. In 2006, the DuPage County Sheriff's Department became only the fourth law enforcement agency in the United States to earn the international ISO 17025 certification through the American Society of Crime Laboratory Directors – Laboratory Accreditation Board.⁵ The FSC is comprised of three sections: (1) the Forensic Chemistry and Microscopy Section, (2) the Criminalistics Section, and (3) the Forensic Biology/DNA Section. The grants audited fell under the purview of the Forensic Biology/DNA Section, which is the area of the crime laboratory dedicated to finding and classifying body fluids and biological substances from crime scenes.

Our Audit Approach

We tested compliance with what we consider to be the most important conditions of the grants. Unless otherwise stated in our report, the criteria we audited against are contained in the OJP Financial Guide, the Code of Federal Regulations, Office of Management and Budget (OMB) Circulars, and the grant award documents. We tested the DuPage County Sheriff's Department's:

- **Accounting and Internal Controls** to determine whether the grantee had sufficient accounting and internal controls in place for the processing and payment of funds, and controls were adequate to safeguard grant funds and ensure compliance with the terms and conditions of the grants;

⁵ The ISO 17025 was developed specifically for testing and calibration laboratories that are seeking accreditation.

- **Grant Drawdowns** to determine whether grant drawdowns were adequately supported, and if the grantee was managing grant receipts in accordance with federal requirements;
- **Supplanting** to determine whether the grantee supplanted local funds with federal funds;
- **Grant Expenditures** to determine the accuracy and allowability of costs charged to the grants;
- **Accountable Property** to determine if property was correctly accounted for and used in accordance with the terms and conditions of the grants;
- **Federal Financial Reports and Progress Reports** to determine whether the required reports were submitted on time and accurately reflected grant activity;
- **Accomplishment of Grant Requirements and Objectives** to determine if the grantee met or is capable of meeting the grants' objectives, and whether the grantee collected data and developed performance measures to assess accomplishment of the intended objectives; and
- **Monitoring of Contractors** to determine if the grantee adequately monitored contractor performance to ensure the contractors adhered to the terms and conditions of the grants.

We also performed limited work and confirmed that the DuPage County Sheriff's Department was not required to contribute any local matching funds, did not receive reimbursement for indirect costs, did not generate any program income, and did not sub-award DOJ grant funds to sub-grantees. Therefore, we did not perform testing in these areas.

FINDINGS AND RECOMMENDATIONS

The DuPage County Sheriff's Department generally complied with OJP's grant guidelines with respect to accounting and internal controls, drawdowns, supplanting, grant expenditures, and program performance and accomplishments. However, we found that the DuPage County Sheriff's Department did not properly identify equipment purchased with grant funds as required by the grant. We also found that the DuPage County Sheriff's Department submitted required progress reports in an untimely manner and that the reports contained inaccurate performance metrics. In addition, we did not identify any clear indication that the DuPage County Sheriff's Department certified that the contractor costs charged to the grant and work performed were in accordance with the terms and conditions of the contract.

We performed audit work at the DuPage County Sheriff's Department located in Wheaton, Illinois, where we obtained an understanding of the accounting system and reviewed a sample of grant expenditures. We reviewed the criteria governing grant activities, including the OJP Financial Guide, relevant OMB Circulars, and the Code of Federal Regulations. In addition, we reviewed grant documents, including the application, award, and budgets, as well as the required financial and progress reports. We also interviewed key personnel involved in managing the grant-related activities, including officials at the DuPage County Sheriff's Department, Finance Department, and Procurement Services Division.

Accounting and Internal Controls

According to the OJP Financial Guide, grant recipients are required to establish and maintain accounting and internal control systems to account accurately for funds awarded to them. Further, the accounting system should provide controls over funds and other resources to assure the expenditure of funds and use of property conform to any general or special conditions, ensure the optimal use of funds, and meet the prescribed requirements for periodic financial reporting of operations. The accounting system should also ensure that grant funds are not comingled with funds from other federal agencies.

We interviewed key personnel at the DuPage County Sheriff's Department, including the grant program manager and the Chief of Administration, regarding the DuPage County Sheriff's Department's financial management system, record-keeping practices, and methods for ensuring adherence to the terms and conditions of the grants. We also reviewed the DuPage County Sheriff's Department's policies, procedures, and accounting records to assess its risk of non-compliance with laws, regulations, guidelines, and terms and conditions of the grants.

We determined that the DuPage County Sheriff's Department has proper internal controls to help ensure grant expenditures are accurately accounted for

within the accounting system and that the internal controls provide for proper oversight of approving purchases and payroll costs.

Single Audit

According to OMB Circular A-133, non-federal entities that expend \$500,000 or more in federal awards in a year shall have a single audit conducted. DuPage County reported that its expenditures of federal funds in fiscal years (FY) 2011 and 2012 were \$33,670,145 and \$26,790,174, respectively. Therefore, DuPage County was required to have a single audit performed during each of these fiscal years. We reviewed the FY 2011 and FY 2012 single audit reports for DuPage County, which encompass the DuPage County Sheriff's Department, and identified areas that may affect the DuPage County Sheriff's Department's administration of the DNA Backlog Reduction Program grants. Specifically, we noted that the single audit reports reported cross-cutting weaknesses in the DuPage County's accounting software and financial reporting software, as well as a lack of segregation of duties associated with reconciliation of bank statements and preparation of deposits and checks. The reports also discussed the late submission of quarterly financial reports associated with another DOJ federal grant program. We reviewed these areas as part of our assessment of internal controls and grant reporting and did not identify the occurrence of any similar weaknesses in the administration of the audited grants.

Financial Management System

The OJP Financial Guide requires grantees to establish and maintain a system of accounting and internal controls that adequately identifies and classifies grant costs. The system must include controls to ensure that funds and other resources are used optimally and expenditures of funds are in conformance with the general and special conditions applicable to the recipient. Further, the OJP Financial Guide states that grantees should establish and maintain program accounts that will enable, on an individual basis, the separate identification and accounting of the receipt and disposition of all funds and the application of all funds to each budget category included within the approved awards.

We did not test the overall financial management system for the DuPage County Sheriff's Department as a whole, but conducted a limited review and performed testing in areas related to the DNA Backlog Reduction Program awards. We also interviewed key personnel to further assess risk. Based upon our review, we found that the DuPage County Sheriff's Department's internal control environment includes adequate separation of duties and controlled access to the accounting system.

Drawdowns

We reviewed the DuPage County Sheriff's Department's process for requesting drawdowns from OJP for its grant-related costs. An official within the DuPage County's Finance Department who is responsible for requesting

drawdowns stated that requests for reimbursement are submitted quarterly, and that the reimbursement amounts mirror the expenditures reported on the quarterly Federal Financial Reports (FFR).

As of June 26, 2013, the DuPage County Sheriff's Department had drawn down funds totaling \$78,273 under grant number 2011-DN-BX-K517. Because the grantee requests reimbursement for the amount of the expenditures reported on the FFRs, we relied upon our FFR accuracy analysis to determine if the drawdown amounts were consistent with the grant expenditures as reflected in the official accounting records. As discussed in the Grant Reporting section of this report, we found that the grantee properly reported expenditures according to its accounting records. As a result, we determined that the grantee's drawdowns were consistent with its accounting records.⁶

Besides reviewing the accuracy of the drawdown amounts, we also computed the amount of time that lapsed from the award start date to the first time funds were drawn down for each grant. The DuPage County Sheriff's Department's first drawdown of grant funds under grant number 2011-DN-BX-K517 occurred on May 1, 2012, which was 213 days after the grant was awarded. We identified a similar significant lapse in time for grant number 2012-DN-BX-0116. As of December 19, 2013, the DuPage County Sheriff's Department had not drawn down any funds under this grant, which was 444 days after the grant was awarded. The grantee explained that when it was awarded the 2011 grant, it was still expending funds from a previous DNA Backlog Reduction Program grant awarded in 2010.⁷ The grantee further stated that it prefers to only expend funds from one grant at a time, and thus, the grantee delayed drawing down funds on the 2011 grant until the grant-related activities associated with the 2010 grant were completed. Similarly, the DuPage County Sheriff's Department was continuing to expend funds on the 2011 grant when the 2012 grant was awarded and continues to do so – thus, resulting in none of the 2012 grant funds being drawn down as of December 2013.

Supplanting

According to OJP, federal funds must be used to supplement existing state and local funds for program activities and must not replace those funds that have been appropriated for the same purpose. We reviewed the DuPage County Sheriff's Department's budgets for FYs 2011 and 2012 and did not find any indications that the DuPage County Sheriff's Department was using grant funds to supplant local funding.

⁶ As of December 2013, the DuPage County Sheriff's Department had not drawn down any funds under grant 2012-DN-BX-0116. Therefore, testing the accuracy of the drawdowns for this grant was not applicable.

⁷ The DuPage County Sheriff's Department's last drawdown of funds on the 2010 grant occurred in December 2012.

Grant Expenditures

The OJP Financial Guide serves as a primary manual to assist grantees in fulfilling their fiduciary responsibility to safeguard grant funds and ensure funds are used for the purposes for which they were awarded. It also services as a day-to-day management tool for award recipients in administering grant programs.

To determine the accuracy and allowability of costs charged to grant number 2011-DN-BX-K517, we reviewed a sample of expenditures incurred by the DuPage County Sheriff's Department.⁸ According to the DuPage County Sheriff's Department's records, its total grant-related expenditures as of June 26, 2013, were \$150,975, and the DuPage County Sheriff's Department had been reimbursed for \$78,273.⁹ We tested 35 grant transactions, including personnel and non-personnel costs, totaling \$133,993.¹⁰

In general, we determined that the DuPage County Sheriff's Department's transactions were properly authorized, accurately classified and recorded in the general ledger, and adequately supported.

Personnel Expenditures

According to the grant budget, the DuPage County Sheriff's Department was authorized to charge the grant for the salary and fringe benefit costs of a part-time employee, as well as overtime costs of crime laboratory personnel. To determine the accuracy and allowability of salary costs, including overtime, charged to the grant, we selected and reviewed a sample of four pay periods during the award period. We compared the names, positions, and hourly rates that were listed in the OJP-approved budget to the employees who were paid with grant funds. We also tested the accuracy of the supporting time records and payroll reports and recalculated the allocation of salary costs charged to the grant. We tested \$5,281 in grant-related salary costs.

Similarly, to determine the accuracy and allowability of fringe benefit costs charged to the grant, we selected and reviewed a sample of six pay periods during the award period. We reviewed the fringe benefit categories listed in the grant budget and recalculated the fringe benefit costs incurred during the sample pay periods using supporting payroll records. We tested \$1,586 in grant-related fringe benefits costs.

⁸ As of December 2013, the grantee had not incurred any expenses for grant number 2012-DN-BX-0116. Therefore, we were unable to test any grant expenditures for this grant.

⁹ At the time of our testing, the grantee had not yet requested reimbursement for all of the grant-related costs incurred. Therefore, the total amount of grant-related costs incurred was greater than the total amount of grant funds drawn down.

¹⁰ The non-personnel grant-related costs included payments to contractors, as well as equipment, supplies, training, and travel expenditures.

Based upon our review of the salary and fringe benefit costs charged to the grant, we verified that the costs were computed correctly, properly authorized, accurately recorded, and properly allocated to the grant. We did not identify any questioned costs related to these personnel expenditures.

Contractor Expenditures

According to the grant budget, the DuPage County Sheriff's Department was authorized to charge the grant for contractors who were hired to supplement the work conducted by full-time employees in the DuPage County Sheriff's Department's Crime Laboratory. To determine the allowability and accuracy of these costs, we selected and reviewed a sample of six invoices amounting to \$3,480. We compared the names, tasks to be completed, and hourly rates reflected on the invoices to the contractor information listed in the OJP-approved budget. Based upon our review, we determined that the costs were computed correctly, properly authorized, accurately recorded, and properly allocated to the grant. We did not identify any questioned costs related to these contractor expenditures.

Training and Travel Expenditures

In addition to the personnel and contractor costs, the grant budget authorized the DuPage County Sheriff's Department to charge the grant for training expenses, including travel costs associated with attending the training classes. To determine the allowability and accuracy of these costs, we selected and reviewed a sample of 10 transactions (4 associated with tuition costs and the remaining 6 involving travel-related expenses) amounting to \$11,294. For the selected training and travel expenditures, we ensured that the names of the attendees and training classes were consistent with the information contained in the OJP-approved budget. We also determined that the costs were supported and properly allocated to the grant. We did not identify any questioned costs related to these training and travel expenditures.

Equipment and Supplies Expenditures

The grant also authorized the DuPage County Sheriff's office to purchase equipment and laboratory supplies with grant funds. We determined the allowability and accuracy of these costs by selecting transactions amounting to \$112,352. We reviewed the supporting documentation and confirmed the purchases were properly authorized, accurately recorded, and properly allocated to the grant. We did not identify any questioned costs related to these expenditures.

Accountable Property

According to the OJP Financial Guide, property records must be maintained for equipment acquired under an award. Among other items, the property records must indicate a description of the property, the serial number or other identification number, and the source of the property, including the award number.

According to the DuPage County's Capital Asset Procedures Manual, asset purchases of \$5,000 or more are considered capital assets, and the capital assets are tracked in the DuPage County's capital asset database. We determined that two equipment items purchased with grant funds met the requirements of being considered capital assets, and we noted that both items were contained in the official capital asset database. However, we found that the internal inventory listing and official capital asset database did not indicate the source of the equipment items, as required by the OJP Financial Guide. After discussing this requirement with the grantee, the DuPage County Sheriff's Department revised its internal property listing and official capital asset database to include this information and stated that all future grant-related equipment will be properly marked on the internal inventory listing. To ensure that the official capital asset database complies with the grant requirement to indicate the funding source of grant-funded equipment items, we believe the DuPage County Sheriff's Department should establish a formal, written procedure so that all personnel involved with accountable property are aware of the requirement.

In addition to ensuring that the DuPage County Sheriff's Department properly recorded its fixed assets, we physically verified eight grant-related equipment, supplies, and software items totaling \$59,384.¹¹ We confirmed that these items existed and were being used in compliance with the grant terms and conditions.

Grant Reporting

The OJP Financial Guide states that two types of reports are to be submitted by the grantee. FFRs provide information on monies spent and the unobligated amounts remaining in the grant. Program progress reports provide information on the status of grant-funded activities and other pertinent information.

Federal Financial Reports

According to the OJP Financial Guide, grantees are required to submit quarterly FFRs within 30 days of the end of the calendar quarter. Funds or future awards may be withheld if reports are not submitted or if reports are submitted late. We reviewed all FFRs submitted by the DuPage County Sheriff's Department for both grants at the time of fieldwork – six FFRs for grant number 2011-DN-BX-K517 and two FFRs for grant number 2012-DN-BX-0116. We found that the DuPage County Sheriff's Department submitted the reports on time.

We also compared the grant-related expenditures reflected on the FFRs to the DuPage County Sheriff's Department's financial records. We found that the FFRs accurately reflected grant-related expenditures as recorded in the official financial records for grant number 2011-DN-BX-K517. As mentioned previously, the grantee draws down grant funds on a quarterly basis; requesting reimbursement at the same time it submits the quarterly FFRs. At the time of

¹¹ As previously mentioned, the grantee had not incurred any expenses for grant number 2012-DN-BX-0116 at the time of fieldwork. Therefore, the items selected as part of our accountable property testing are associated with grant number 2011-DN-BX-K517.

fieldwork, the grantee had drawn down funds totaling \$78,273, which was consistent with the grant expenditures reflected on the FFR for the quarter ending March 31, 2013. This amount encompassed all grant-related expenditures incurred through the end of this reporting period.

As previously mentioned, the DuPage County Sheriff's Department had not incurred any expenditures related to grant number 2012-DN-BX-0116 as reflected in its accounting records at the time of fieldwork. We noted that the DuPage County Sheriff's Department accurately reported in the two FFRs submitted for this grant that no expenditures had been incurred.

Program Progress Reports

According to the award documentation, the grantee is required to submit semiannual progress reports within 30 days of the end of the reporting periods, which are June 30 and December 31, for the life of the awards. At the time of fieldwork, the grantee had submitted three progress reports for grant number 2011-DN-BX-K517 and one progress report for grant number 2012-DN-BX-0116. We reviewed each of these reports to determine if the reports were submitted on time and if the reports were accurate. We determined that two of the three progress reports for grant number 2011-DN-BX-K517 and the one progress report for grant number 2012-DN-BX-0116 were not submitted on time, as reflected in Figure 2. The grantee acknowledged that these progress reports were submitted late and stated that other work responsibilities precluded it from submitting the reports on time.

FIGURE 2 – TIMELINESS OF PROGRESS REPORTS

GRANT NUMBER	REPORT PERIOD FROM-TO DATES	DUE DATE	DATE SUBMITTED	DAYS LATE
2011-DN-BX-K517	10/01/11 - 12/31/11	01/30/12	01/13/12	0
	01/01/12 - 06/30/12	07/30/12	09/11/12	43
	07/01/12 - 12/31/12	01/30/13	02/01/13	2
2012-DN-BX-0116	10/01/12 - 12/31/12	01/30/13	02/11/13	12

Source: OJP

In addition, the grantee was required to provide DNA Backlog Reduction Program performance measure data and a narrative on the progress towards the grants' goals and objectives. We reviewed the performance measure data and narrative for both grants and compared it to the supporting documentation that was provided. In general, we found that the written narrative was a reasonable depiction of the progress achieved on the grants. However, we found that the grantee inaccurately reported a few performance metrics contained in the progress reports. Specifically, the grantee overstated the average turnaround time (from the time an analysis was requested to the time the results were delivered) for the 3-month period prior to the start of the 2011 grant (July 1, 2011, to September 30, 2011), while understating this same metric for the 3-month time period covered by the first progress report (October 1, 2011, to December 31, 2011). For example, the grantee reported that the average

turnaround time between July 1, 2011, and September 30, 2011, was 60 days, while we computed it to be 50 days. The grantee also underreported the average number of DNA samples analyzed per analyst per month for the same two time periods. For instance, the grantee reported that, on average, each analyst was able to analyze 13.8 samples per month between October 1, 2011, and December 31, 2011, while we computed it to be 27.6 samples per month. In addition, the grantee slightly overstated the metrics associated with the number of backlogged cases that were analyzed using specific grant funds, as well as the CODIS-related metrics for the reporting period of July 1, 2012, to December 31, 2012. When viewed in the context of the progress reports in their entirety, we do not believe that these inaccurate performance metrics would significantly mislead the reader regarding the grantee's progress in accomplishing the grant objectives. However, we believe the grantee should establish procedures to ensure that the metrics reported in its progress reports are reviewed for accuracy prior to submission to OJP.

Compliance with Grant Requirements

We reviewed the grant requirements for grant numbers 2011-DN-BX-K517 and 2012-DN-BX-0116 and identified several key requirements, such as the grantee's agreement to: (1) submit quarterly FFRs, (2) submit semiannual performance measure data, and (3) not use grant funds to supplant state or local funds. As previously mentioned, the grantee submitted the required FFRs and progress reports, and we did not identify any indication of supplanting. All of these items are discussed in detail in the appropriate sections of this report.

Program Performance and Accomplishments

According to the grant application for award number 2011-DN-BX-K517, the objectives of the grant were to reduce the forensic DNA case backlog by providing funding to hire a part-time analyst, to pay overtime costs, to purchase equipment and software to enhance the laboratory's capabilities, and to provide each analyst with required continuing education. To evaluate the grantee's program performance, we interviewed DuPage County Sheriff's Department officials, observed the use of grant-purchased equipment, and reviewed documentation supporting the grant-related expenditures incurred and the performance metrics reflected in the progress reports. The progress reports included performance metrics on the number of DNA cases that were deemed to be backlogged for each reporting period. We noted that there was a consistent decrease in the number of cases considered to be backlogged from the beginning of the audit to the end of the last progress report period we reviewed. Specifically, the DuPage County Sheriff's Department reported a backlog of 14 cases prior to the start of the grant in October 2011 and a backlog of 6 cases as of the latest reporting period ending December 2012. As discussed in the Grant Reporting section of this report, although we found that the grantee inaccurately reported some performance metrics, we do not believe that these inaccurate performance metrics were significant. As a result, we believe the grantee has used the provided grant funding

to help reduce its backlog of forensic DNA cases, thereby meeting the grant objectives.¹²

Monitoring Contractors

According to the OJP Financial Guide, direct recipients of federal awards should ensure that monitoring of organizations under contract to them is performed in a manner that will ensure compliance with their overall financial management requirements.

According to the grant budget for grant number 2011-DN-BX-K517, the DuPage County Sheriff's Department planned to spend \$58,060 on contract services. Specifically, the grantee stated that it would hire contractors to provide quality control support in the laboratory, and the contractors would work in the same capacity as regular employees. In addition, the grantee indicated that it would incur expenses related to service contracts on recently purchased equipment and for renovations within the laboratory. At the time of fieldwork, the DuPage County Sheriff's Department had only incurred contract-related expenses for the contractors hired to provide quality control support in the laboratory. The contractors submit weekly invoices that reflect the costs of the services provided and the actual work performed. The grantee stated that it reviews the weekly invoices before forwarding the invoices for payment. We reviewed a sample of the weekly invoices and determined that the costs and services provided reflected on the invoices were consistent with the terms and conditions of the contracts and, in turn, the grant. However, we did not see any indication that the grantee reviewed the weekly invoices to ensure the work listed was completed and was in accordance with the terms and conditions of the contract. As a result, we believe the DuPage County Sheriff's Department should implement formal, written procedures for properly monitoring grant-funded contractors, including reviewing the contractor invoices and certifying that the costs and work performed are consistent with the terms and conditions of the contract.

View of Responsible Officials

We discussed the results of our review with officials at the DuPage County Sheriff's Department throughout the audit and at a formal exit conference. Their comments on specific issues have been included in the appropriate sections of the report.

Recommendations

We recommend that OJP:

1. Ensure the DuPage County Sheriff's Department implements written procedures requiring assets purchased with grant funds to be labeled as

¹² Because the grantee had not incurred any grant-related costs under grant number 2012-DN-BX-0116, we did not assess the grantee's performance and accomplishment of that grant's objectives.

such in the official accountable property listing, as required by the OJP Financial Guide.

2. Ensure the DuPage County Sheriff's Department implements procedures to ensure required progress reports are submitted in a timely manner and that the performance metrics contained in the progress reports are reviewed for accuracy prior to submission to OJP.
3. Ensure the DuPage County Sheriff's Department implements written procedures to ensure grant-funded contractors are properly monitored. These procedures should include a review of the contract invoices and certification that the costs and work performed as reflected on the invoices are consistent with the contract's terms and conditions.

OBJECTIVE, SCOPE, AND METHODOLOGY

The purpose of this audit was to determine whether reimbursements claimed for costs under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grants, and to determine program performance and accomplishments. The objective of the audit was to review performance in the following areas: (1) accounting and internal control environment; (2) drawdowns; (3) supplanting; (4) grant expenditures, including personnel costs; (5) accountable property; (6) federal financial and progress reports; (7) grant requirements; (8) program performance and accomplishments; and (9) monitoring of contractors. We determined that local matching funds, indirect costs, program income, and monitoring of sub-grantees were not applicable to these grants.

We conducted this performance audit in accordance with generally accepted government auditing standards and included such tests as were considered necessary to accomplish our objective. 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. This was an audit of two OJP, NIJ DNA Backlog Reduction Program grants awarded to the DuPage County Sheriff's Department (grant numbers 2011-DN-BX-K517 and 2012-DN-BX-0116). Our audit concentrated on, but was not limited to, the award of the grants on October 1, 2011, and October 1, 2012, respectively, through our fieldwork in June 2013. Combined, the DuPage County Sheriff's Department was awarded \$649,887 and had a total of \$78,273 in drawdowns through June 2013.¹³

We tested compliance with what we consider to be the most important conditions of the grant. Unless otherwise stated in our report, the criteria we audited against are contained in the OJP Financial Guide, the Code of Federal Regulations, OMB Circulars, and the grant award documents. In conducting our audit, we performed testing in three areas: (1) drawdowns, (2) grant expenditures, and (3) accountable property. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed, such as dollar amounts or expenditure category. This non-statistical sample design does not allow for projection of the test results to all grant expenditures or internal controls and procedures. We selected 35 transactions totaling \$133,993 from October 2011 to June 2013 for grant number 2011-DN-BX-K517.¹⁴ As of June 2013, the DuPage Sheriff's Department had not incurred any grant-related costs under grant number 2012-DN-BX-0116.

¹³ As of June 2013, the DuPage County Sheriff's Department had not drawn down any funds under grant 2012-DN-BX-0116.

¹⁴ At the time of fieldwork, the grantee had incurred more costs than had been drawn down. Therefore, our sample included grant-related costs that had not yet been reimbursed by OJP.

In addition, we reviewed the timeliness and accuracy of FFRs and progress reports, and we evaluated performance as it related to the grants' objectives. However, we did not test the reliability of the financial management system as a whole, and reliance on computer-based data was not significant to our objective.

AUDITEE RESPONSE

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Records Division	(630) 407-2270
Warrants Division	(630) 407-2290

OFFICE OF THE SHERIFF
COUNTY OF DUPAGE

April 24, 2014

Carol S. Taraszka
Regional Audit Manager
Chicago Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
500 West Madison Street, Suite 1121
Chicago, IL 60661

SUBJECT: Draft Audit Report, Audit of the Office of Justice Programs National Institute of Justice DNA Backlog Reduction Program Awards 2011-DN-BX-K517 & 2012-DN-BX-0116

Dear Ms. Taraszka,

This letter is submitted as the written response of the DuPage County Forensic Science Center of the DuPage County, Illinois, Sheriff's Department to the above referenced draft audit report dated April 3, 2014. The audit was conducted on grants awarded by the Office of Justice Programs (OJP), National Institute of Justice (NIJ) as part of OJP's DNA Backlog Reduction Program.

The draft audit report on page 13 provides three recommendations. The following are the recommendations followed by the DuPage County Sheriff's Office (DPCSO) response.

Recommendation 1: Ensure the DuPage County Sheriff's Department implements written procedures requiring assets purchased with grant funds to be labeled as such in the official accountable property listing, as required by the OJP Financial Guide.

The DPCSO concurs with the recommendation that written procedures be implemented requiring assets purchased with grant funds be labeled as such in the official accountable property listing. To date, assets purchased with grant funds have been labeled in the official accountable property listing with a grant specific code, however no language existed in the County Capital Asset Policy stating the requirement.

The County's financial structure is such that each grant received by the County is set up as its own fund in the general ledger as documented in the County Board resolution accepting the grant (Attachments 1 & 2). Each grant fund includes a set of accounts that is used to account for all revenues, expenditures, cash and fund balance of that particular grant (Attachment 3). When these

grant funds are set up in the system, each grant fund is given a separate fund and agency code (number) that determines what grant it is. In this instance, Fund 118, Agency 099 is the FY11 DNA Backlog Reduction Grant. The code 118 represents the US Department of Justice Agency Fund and code 099 represents the FY11 DNA Backlog Reduction Grant (Attachment 4). When an expenditure is coded into the system, a number string such as 118-099-4210 is used (Attachment 5). The last four numbers are Capital items as noted in the in the County's chart of accounts. This number can be traced to the fixed assets data base where it is used to attach a fixed asset to a certain fund.

The County official capital assets database complies with the grant requirement to indicate the funding source of grant-funded equipment items, utilizing the unique funding code as previously explained. The County's Finance Department has issued revised capital assets procedures to include language describing the current practice that if an asset is purchased with grant funds the specific grant funding source shall be documented (Attachment 6).

The County is in the process of implementing a new financial system, Enterprise Resource Planning (ERP) in phases over the next couple of months, with the final Human Resources/Payroll phase due to be completed in January 2015. This implementation is going to require a massive overhaul of the County Finance Department's current written procedures, which could take a year to complete. The grant requirement requiring assets purchased with grant funds to be labeled as such in the official accountable property listing shall carry-over into updated procedures to be released as a result of ERP implementation.

Recommendation 2: Ensure the DuPage County Sheriff's Department implements procedures to ensure required progress reports are submitted in a timely manner and that the performance metrics contained in the progress reports are reviewed for accuracy prior to submission to OJP.

The DPCSO concurs with the recommendation. Written procedures have been implemented to ensure progress reports are submitted in a timely manner. When a grant is awarded the grant manager will provide the quality manager with a list of the dates that the required progress reports are due. The quality manager will be provided access to the Office of Justice Programs online grant management system (GMS) and will check that the required reports have been submitted a week prior to their due dates. This check will be documented by the quality manager.

In addition, the steps taken to generate the performance metrics are now documented. After the performance metrics are generated they are regenerated by a second staff member to check for accuracy, prior to inclusion in the progress report (Attachment 7).

Recommendation 3: Ensure the DuPage County Sheriff's Department implements written procedures to ensure grant-funded contractors are properly monitored. These procedures should include a review of the contract invoices and certification that the costs and work performed as reflected on the invoices are consistent with the contract's terms and conditions.

The DPCSO concurs with the recommendation. A formal policy has been implemented to ensure that the review of contract invoices and certification of costs and work performed has been conducted. This review shall be documented on the invoice by the grant manager or appointed staff member (Attachment 7).

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact the undersigned via email at Claire.Dragovich@dupagesheriff.org.

Sincerely,



Claire Dragovich
Laboratory Director
DuPage County Forensic Science Center
DuPage County Sheriff's Office

c: Linda Taylor, Lead Auditor, Audit Coordination Branch, U.S. DOJ
Stefan Hanus, Financial Services Administrator, DuPage County
John Zaruba, Sheriff of DuPage County
James Kruse, Chief of Administration, DuPage County Sheriff's Office

OFFICE OF JUSTICE PROGRAMS RESPONSE




U.S. Department of Justice

*Office of Justice Programs**Office of Audit, Assessment, and Management*

Washington, D.C. 20531

MAY - 1 2014

MEMORANDUM TO: Carol S. Taraszka
Regional Audit Manager
Chicago Regional Audit Office
Office of the Inspector General

FROM: 
LeToya A. Johnson
Acting Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, National Institute of Justice, DNA Backlog Reduction Program Awards Administered by the DuPage County Sheriff's Department, Wheaton, Illinois*

This memorandum is in reference to your correspondence, dated April 3, 2014, transmitting the above-referenced draft audit report for the DuPage County Sheriff's Department (County). We consider the subject report closed and request written acceptance of this action from your office.

The draft report contains **three** recommendations and **no** 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 ensure the DuPage County Sheriff's Department implements written procedures requiring assets purchased with grant funds to be labeled as such in the official accountable property listing, as required by the OJP Financial Guide.**

OJP agrees with the recommendation. However, in its April 24, 2014 response to the draft audit report, the County provided a copy of revised procedures implemented to ensure that assets purchased with Federal funds are labeled as such in the official accountable property listing. These revised procedures appear to sufficiently address the recommendation. Therefore, OJP requests closure of the recommendation.

2. **We recommend that OJP ensure the DuPage County Sheriff's Department implements procedures to ensure required progress reports are submitted in a timely manner and that the performance metrics contained in the progress reports are reviewed for accuracy prior to submission to OJP.**

OJP agrees with the recommendation. However, in its April 24, 2014 response to the draft audit report, the County provided a copy of revised procedures implemented to ensure that future semi-annual progress reports are submitted in a timely manner, and the performance metrics contained in the progress reports are reviewed for accuracy prior to submission to OJP. These revised procedures appear to sufficiently address the recommendation. Therefore, OJP requests closure of the recommendation.

3. **We recommend that OJP ensure the DuPage County Sheriff's Department implements written procedures to ensure grant-funded contractors are properly monitored. These procedures should include a review of the contract invoices and certification that the costs and work performed as reflected on the invoices are consistent with the contract's terms and conditions.**

OJP agrees with the recommendation. However, in its April 24, 2014 response to the draft audit report, the County provided a copy of revised procedures implemented to ensure that: grant-funded contractors are properly monitored; contract invoices are reviewed; and certification is provided to verify that the costs and work performed, as reflected on the future invoices, are consistent with the contract's terms and conditions. These revised procedures appear to sufficiently address the recommendation. Therefore, OJP requests closure of the recommendation.

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

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

Gregory Ridgeway
Acting Director
National Institute of Justice

Portia Graham
Office Director, Office of Operations
National Institute of Justice

Charlene Hunter
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cc: Charles Heurich
Physical Scientist
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Leigh A. Benda
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OJP Executive Secretariat
Control Number IT20140425085704

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

The OIG provided a draft of this audit report to the DuPage County Sheriff's Department and the U.S. Department of Justice, Office of Justice Programs (OJP). The DuPage County Sheriff's Department's response letter is incorporated in Appendix II of this final report, and OJP's response is incorporated as Appendix III.¹⁵ The following provides the OIG analysis of the responses.

Recommendation:

- 1. Ensure the DuPage County Sheriff's Department implements written procedures requiring assets purchased with grant funds to be labeled as such in the official accountable property listing, as required by the OJP Financial Guide.**

Closed. Both the DuPage County Sheriff's Department and OJP concurred with our recommendation. In its response, the DuPage County Sheriff's Department stated that assets purchased with grant funds are labeled as such in its official accountable property listing but that this requirement was not contained in any written policy. The DuPage County Sheriff's Department further stated that it revised its capital assets procedures to include this requirement and provided a copy of the revised procedures.

We reviewed the provided documentation and determined that it adequately addresses our recommendation. Specifically, we noted that the revised procedures include the new language requiring an indication of the grant funding source for assets purchased with grant funds. Therefore, this recommendation is closed.

- 2. Ensure the DuPage County Sheriff's Department implements procedures to ensure required progress reports are submitted in a timely manner and that the performance metrics contained in the progress reports are reviewed for accuracy prior to submission to OJP.**

Closed. Both the DuPage County Sheriff's Department and OJP concurred with our recommendation. In its response, the DuPage County Sheriff's Department stated that it implemented written procedures to ensure progress reports are submitted in a timely manner and that the performance metrics are reviewed for accuracy prior to submitting the progress reports to OJP. The DuPage County Sheriff's Department provided a copy of these procedures.

¹⁵ The DuPage County Sheriff's Department provided several attachments with its response. These attachments are not included in this report due to their technical nature.

We reviewed the provided documentation and determined that it adequately addresses our recommendation. Specifically, we noted that the newly implemented procedures require the grant manager to provide the quality manager with a list of due dates for the progress reports, and that the quality manager will check to ensure the reports have been submitted a week prior to their due dates. In addition, the procedures also require the grant manager to document the steps taken and the data used to generate the performance metrics, and require that these metrics be regenerated by another staff member to ensure the accuracy of the metrics before submitting the progress reports to OJP. Therefore, this recommendation is closed.

- 3. Ensure the DuPage County Sheriff's Department implements written procedures to ensure grant-funded contractors are properly monitored. These procedures should include a review of the contract invoices and certification that the costs and work performed as reflected on the invoices are consistent with the contract's terms and conditions.**

Closed. Both the DuPage County Sheriff's Department and OJP concurred with our recommendation. In its response, the DuPage County Sheriff's Department stated that it implemented a formal, written policy to ensure a review of contract invoices and certification of costs and work performed are conducted. The DuPage County Sheriff's Department provided a copy of this policy.

We reviewed the provided documentation and determined that it adequately addresses our recommendation. Specifically, we noted that the policy requires the grant manager, or appointee, to review grant-funded contractor invoices to ensure the work performed and costs being charged are consistent with the contract's terms and conditions. In addition, the policy requires the grant manager, or appointee, to sign and retain the invoice to document the review. Therefore, this recommendation is closed.