



# **AUDIT OF THE OFFICE OF JUSTICE PROGRAMS' MONITORING AND OVERSIGHT OF RECOVERY ACT AND NON-RECOVERY ACT GRANTS**

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## **EXECUTIVE SUMMARY**

The Office of Justice Programs (OJP) is the Department of Justice's (Department) largest granting agency. Its grant programs are intended to improve the nation's capacity to prevent and control crime, improve the criminal and juvenile justice systems, increase knowledge about crime and related issues, and assist crime victims. For fiscal years (FY) 2008 through 2010, OJP made almost 14,000 grant awards, totaling more than \$7.7 billion to state and local law enforcement and community organizations. This included more than 4,000 grants, totaling about \$2.8 billion, under the American Recovery and Reinvestment Act of 2009 (Recovery Act).

To help ensure the accomplishment of grant goals, proper use of funds, and compliance with program requirements, OJP must effectively monitor and oversee the grants it awards.

In 2005, Congress passed the Violence Against Women and Department of Justice Reauthorization Act of 2005, which authorized the establishment of OJP's Office of Audit, Assessment, and Management (OAAM). The primary purpose of OAAM is to conduct and coordinate program assessments of grants awarded by OJP and the Department's Office of Community Oriented Policing Services (COPS Office). OAAM was envisioned as an effective internal auditing entity that would complement the external auditing provided by the Department of Justice Office of the Inspector General (OIG). The law requires OAAM to annually assess grants representing not less than 10 percent of the aggregate amount of money awarded under all such grant programs and to report on grantee compliance and grant effectiveness. The Act provided that OJP could use up to 3 percent of all grant funds each fiscal year to fund this oversight office.

While OAAM reviews and assesses DOJ grants and grant programs, direct responsibility for monitoring grantees also rests with OJP bureaus and program offices and the COPS Office. In addition, OJP's Office of the Chief Financial Officer (OCFO) is responsible for the financial monitoring of OJP, the Office on Violence Against Women (OVW), and COPS Office grants.

## **OIG Audit Approach**

The Department of Justice OIG is conducting a series of reviews of the Department's overall implementation of the Recovery Act.<sup>1</sup> As part of these reviews, we conducted this audit to evaluate the adequacy of OJP's plans and efforts for monitoring and overseeing Recovery Act and non-Recovery Act grants. The scope of this audit covered OJP's grant monitoring and oversight efforts planned or conducted in FYs 2009 and 2010. Because OJP shares some monitoring responsibilities with the Office of Community Oriented Policing Services (COPS Office) and the Office on Violence Against Women (OVW), the Department's other principal granting agencies, this report also refers to those agencies.

Our audit work included interviews of OJP officials responsible for implementation, monitoring, and oversight of OJP's Recovery Act and non-Recovery Act grants. Appendix I contains a more detailed description of our audit objective, scope, and methodology.

## **OIG Results in Brief**

Initially after OAAM's creation in January 2006, OJP made slow progress in staffing OAAM and in ensuring that OAAM's monitoring efforts were effective. At the time of a Senate Judiciary hearing in January 2008 regarding Oversight of the Department of Justice's Forensic Grant Programs, OAAM had not hired a permanent director and only one of OAAM's three divisions was close to filling the positions that had been created.<sup>2</sup> OAAM's Audit and Review Division was close to filling its allotted positions, with 15 of that division's 18 planned positions (federal and contract) filled. The Program Assessment Division had vacancies in 6 of its 13 positions (federal and contract). In addition, OJP had not hired any of the three federal staff positions for OAAM's Grants Management Division. The OIG's assessment as of January 2008, 2 years after the passage of the Reauthorization Act, was that OJP had not devoted sufficient effort to ensuring that OAAM was adequately staffed to oversee and monitor OJP grants, despite the congressional directive and the importance of OAAM's mission.

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<sup>1</sup> U.S. Department of Justice Office of the Inspector General, *Office of Justice Programs' Recovery Act and Non-Recovery Act Programs for Edward Byrne Memorial Justice Assistance Grants and Byrne Competitive Grants*, Audit Report 10-43, (August 2010).

<sup>2</sup> Glenn A. Fine, Inspector General, Department of Justice, before the Senate Committee on the Judiciary concerning "Oversight of the Department of Justice's Forensic Grant Programs" (January 23, 2008), <http://www.usdoj.gov/oig/testimony/t0801/index.htm>.

Since that time, OJP hired a permanent director of OAAM, increased the number of OAAM federal and contractor positions from 35 to 49, and filled all 49 positions.<sup>3</sup> Rather than using the 3 percent of annual grant funding allowed by law to establish a larger staff within OAAM, OJP chose instead to use existing staff in the OJP program offices and bureaus that perform on-site monitoring of grants.<sup>4</sup> OAAM provides oversight of the monitoring performed by these program offices and bureaus.

We believe that OJP and OAAM, while initially slow to implement this approach, have developed a reasonable process for providing monitoring to a high volume of grants. This approach has allowed OJP to monitor grants totaling almost 4 times the award amount required to be monitored by law.

Our audit also concluded that with permanent leadership and a more than 120 percent increase in OAAM staff since January 2008, OAAM has made significant efforts to improve its monitoring and oversight of both Recovery Act and non-Recovery Act grant recipients. Specifically, OAAM has made improvements in monitoring and oversight that include:

(1) establishing a working group to review existing monitoring practices and develop standard monitoring approaches and procedures; (2) developing and enhancing grant tools such as the Grants Management System, Grant Monitoring Tool, and the Grant Assessment Tool; (3) updating oversight and monitoring procedures in the Grant Manager's Manual; and (4) making progress on revising the site visit report quality review process to improve site visit documentation and the quality of site visit reports.

OJP also developed comprehensive plans for overseeing its Recovery Act and non-Recovery grants, such as OJP's Program-Specific Plan for Management of Recovery Act Funds, the Office of the Chief Financial Officer's Financial Monitoring and Technical Assistance Plan, and OAAM's Recovery Act Post-Award Performance and Risk Management Plan. During our audit, we reviewed draft versions of these plans and provided comments to OJP. As we identified concerns with OJP's plans, OJP generally took prompt actions to address those concerns. For example, one concern we had was that OAAM's draft Recovery Act Post-Award Performance and Risk Management Plan did not provide training covering whistleblower protection for Department and grantee employees, and did not provide training for grantees on coverage of risk-prone management areas such as financial

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<sup>3</sup> According to an OAAM official, OAAM's 49 positions include 26 federal government positions and 23 contracted positions.

<sup>4</sup> According to an OCFO official, while 3 percent was permitted under authorizing statutes to fund OAAM, in practice this amount has not been appropriated to OJP.

management, internal controls, and reporting financial and program results. OAAM responded to this concern by including provisions for such training in its final performance plan.

Our audit also found that OAAM ensured that OJP's bureaus and program offices met the requirement of the Violence Against Women and Department of Justice Reauthorization Act of 2005 that OJP assess grants representing not less than 10 percent of the aggregate amount of money awarded under all grant programs. In FY 2010, OJP completed monitoring activities for grants totaling about \$3 billion out of the open and active grants totaling about \$8.4 billion. This monitoring level of about 36 percent exceeded the 10 percent monitoring level required by the law.

While OJP has significantly improved its monitoring and oversight of grants, additional improvements can be made. We found that OJP's program offices and bureaus do not consistently and thoroughly assess the programmatic, financial, and administrative areas of the grants, and they do not retain adequate documentation to support their review work. In addition, the OJP's Office of the Chief Financial Officer needed to more clearly describe the methodology it uses to select grants for financial monitoring and document the grant selection based on the methodology.

In our report, we make 13 recommendations to assist OJP in further improving its monitoring and oversight of OJP grant programs.

The remaining sections of this Executive Summary describe our audit findings in more detail.

## **OJP's Monitoring and Oversight Improvements**

In FY 2007, OJP began making improvements to its monitoring and oversight of grant activities and operations primarily through the efforts of OAAM. However, OJP was slow to staff OAAM in FY 2007. As of September 2007, OJP had not hired a permanent director for OAAM and only one of OAAM's three divisions was close to fully staffed. OAAM's Audit and Review Division had 7 vacancies among its 18 (10 federal and 8 contract) planned positions, while the Program Assessment Division had 10 vacancies among its 14 (9 federal and 5 contract) planned positions, and all 4 of OAAM's Grants Management Division allotted federal positions were vacant. In January 2008, the Department of Justice Inspector General testified before the Senate Committee on the Judiciary that OJP had made slow progress in staffing OAAM and in ensuring that OAAM's monitoring efforts were effective. At that time, OJP had not hired a permanent OAAM director and OAAM's Audit and Review Division was still the only OAAM division close to fully

staffed with 15 of that division's 18 planned positions filled. OJP had reduced the Program Assessment Division's vacancies from 10 positions to 6 positions and had not filled any of the 3 Grants Management Division positions allotted at that time.<sup>5</sup>

OJP's improvement efforts have significantly increased since FY 2008 — OJP hired a permanent director to head OAAM in January 2009, increased the number of federal government and contracted positions for OAAM to 49, and filled all 49 positions as of May 2009.

In FY 2007, OAAM convened a working group of representatives from OJP's bureaus and offices and from the COPS Office to review existing monitoring practices.<sup>6</sup> The working group developed a comprehensive, standard monitoring approach and procedures that included: (1) development of a grant monitoring plan containing a schedule of grantee monitoring site visits; (2) establishment of quarterly reviews of OJP's and the COPS Office's monitoring plans to evaluate progress in implementing the plans and to assess the quality of site visit reports; (3) development of a grant monitoring tool containing standardized on-site monitoring procedures and monitoring report format; and (4) establishment of a grant assessment tool that created a common, organized framework and methodology for systematically and objectively assessing risk associated with grants and grant recipients.

Examples of other OJP monitoring and oversight improvements since FY 2007 are shown in Exhibit 1.

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<sup>5</sup> According to data provided by OJP, the allotted federal positions for OAAM's Program Assessment Division and Grants Management Division decreased by one position each from September 2007 to January 2008.

<sup>6</sup> The OVW participated in the monitoring working group through May 2007 after which the working group did not meet for the remainder of the year. Although the working group reconvened in February 2008, OVW did not rejoin the working group until March 2010.

**Exhibit 1: Examples of OJP’s Monitoring and Oversight Improvements  
FY 2007 through FY 2010**

<b>FY 2007 Improvements</b>
Created a program assessment function to collect, integrate, and analyze grantee-generated reporting, grant monitoring documentation, performance measurement data, and other primary data sources to assess program performance and grantee compliance for future policy, budget, and funding decisions.
Developed an OJP-wide policy to coordinate activity for high-risk grantees.
Provided a 2-day training course to new grant managers on basic grant management principles and effective grant monitoring techniques.
<b>FY 2008 Improvements</b>
Implemented a program assessment function to examine and report on the compliance with and performance of OJP grants.
Issued an OJP-wide peer review policy and procedures document to improve the peer review process within OJP’s bureaus and offices.
<b>FY 2009 Improvements</b>
Conducted internal reviews of OJP’s processes and made recommendations to enhance and strengthen internal controls as required by Office and Management and Budget Circular A-123, “Management’s Responsibility for Internal Control.”
Released a new Grants Management System monitoring module.
Developed detailed policies in the Grant Manager’s Manual related to grant documentation, grant issuance, and resolution of grant issues.
Provided targeted grant monitoring training to OJP grant managers.
<b>FY 2010 Improvements</b>
Made progress on revising the site visit report quality review process to improve site visit documentation and the quality of site visit reports.
Assisted OJP program offices and the OCFO to better coordinate monitoring plans to ensure that joint site visits are conducted, not only among OJP program offices and the OCFO, but also with the OVW and the COPS Office.
Changed its monitoring threshold levels to include an additional requirement of 10 percent of the total number of active grants. <sup>7</sup>

**Source:** OIG analysis of OAAM operations

As this exhibit indicates, since the establishment of OAAM, OJP has made a significant commitment to improving the monitoring and oversight of grants.

**OJP’s Monitoring and Oversight Plans**

The Office of Management and Budget’s (OMB) Recovery Act guidance required each federal agency receiving Recovery Act funds to develop a formal documented plan for how the Recovery Act funds would be applied

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<sup>7</sup> Because of its large volume of awards, OJP’s Bureau of Justice Assistance is required to conduct on-site monitoring of 5 percent of its total number of active grants.



and managed. According to OMB’s guidance, the agency plan should describe both broad Recovery Act goals and how different parts of the agency are coordinating efforts toward successful implementation and monitoring. The agency plan was required to contain a summary table listing each Recovery Act program and the amount of Recovery Act funds covered by the plan broken-out by appropriation title.

OMB also required separate plans for each Recovery Act program specifically named in the legislation, and that to the extent possible, each agency’s Recovery Program Plan should be a summary of the specific Recovery Act projects and activities planned.

We reviewed the Department’s Agency Plan for Management of Recovery Act Funds, which was published in May 2009. We found that it met the OMB criteria for an agency plan because it described the broad Recovery Act goals, explained how different parts of the agency would coordinate efforts toward successful implementation and monitoring, and contained a summary table listing each Recovery Act program and the associated Recovery Act funding.

We also reviewed OJP’s Program-Specific Plan for Management of Recovery Act funds published in May 2009, and updated in June 2009 and June 2010, to correct funding amounts, planned completion dates, and update annual milestones and performance measures. We concluded that OJP’s Program-Specific plan adequately addressed 10 of the 13 minimum requirements established by the OMB. Three of the minimum requirements were not adequately addressed, as shown in Exhibit 2.

**Exhibit 2: Evaluation of OJP’s Program-Specific Recovery Act Plan for Minimum Requirements**

Plan Requirement	Addressed in OJP’s Plan
Funding Table	Yes
Objectives	Yes
Activities	Yes
Characteristics	Yes
Delivery Schedule	Yes
Environmental Review Compliance	<b>No</b>
Savings or Costs	<b>No</b>
Measures	Yes
Monitoring/Evaluation	Yes
Transparency	Yes

Plan Requirement	Addressed in OJP's Plan
Accountability	Yes
Barriers to Effective Implementation	<b>No</b>
Federal Infrastructure Investments	Yes

**Source:** OIG analysis of OJP's Program-Specific Plan for Management of Recovery Act Funds

OJP's plan did not mention the environmental review compliance requirement to describe the status of compliance with the National Environmental Policy Act, National Historic Preservation Act, and related statutes. OJP's plan also made no mention of the requirement that the plan include expected increases or reductions in future operational costs. In addition, although OJP's plan contained a section on Transparency, Accountability, and Barriers to Effective Implementation, it did not adequately address the barriers to effective implementation requirement. The plan also did not contain a list or description of statutory and regulatory requirements, or other known matters, which could affect implementation of Recovery Act activities and proposed solutions.

An OJP official told us that OJP's plan did not address the environmental and cost issues because of uncertainty about the extent to which OJP's Recovery Act grantees would be involved with projects that would involve environmental issues, or that would result in costs savings and future cost increases. The official stated that OJP's grantees are required to accept a grant special condition requiring compliance with the National Environmental Policy Act (NEPA) if such issues should arise. OJP's plan did not address the statutory or regulatory requirements impediments because OJP did not identify any statutory or regulatory requirements that would impede OJP's implementation of the Recovery Act. OMB approved OJP's plan and we believe the explanations provided by the OJP official provide a reasonable basis for excluding the three OMB requirements from the plan.

We also reviewed OJP's Program-Specific Plan to determine if Recovery Act funding identified in OJP's plan tied to Recovery Act funding identified in the Department's Agency Plan. We found that the Department's Agency Plan identified \$2,762,000,000 in Recovery Act funding for OJP, while OJP's Program-Specific Plan identified only \$2,755,024,000 in Recovery Act funding, a difference of \$6,976,000, which an OAAM official attributed to management and administration costs. In addition, OJP's plan did not identify the funding by the same programs identified in the Department's plan. Consequently, it is not readily transparent how OJP's use of Recovery Act funds corresponded to the Department's planned use of Recovery Act funds.

OJP drafted or established numerous other plans and procedures for overseeing and monitoring both Recovery Act and non-Recovery Act grants, including the following.

- OAAM's Post-Award Performance and Risk Management Plan
- Recovery Act Recipient Reporting: Data Quality Review Process and Procedures
- OAAM's FY 2009 Site Visit Report Quality Review Process
- OAAM's FY 2010 On-site Validation Pilot Program
- OJP's FY 2010 Standard Site Visit Checklist
- OJP's Recovery Act Site Visit Checklist and Desk Review Addendum
- OCFO's FY 2010 Financial Monitoring and Technical Assistance Plan for Department of Justice Grants

We reviewed these plans and procedures and found them to be generally adequate for effective oversight and monitoring of grants. As discussed below, we noted some weaknesses in the plans and procedures, and OJP generally took prompt actions during the audit to address most of the weaknesses.

#### *OAAM's Post-Award Performance and Risk Management Plan*

At the request of OAAM, we reviewed its Draft Post-Award Performance and Risk Management Plan related to Recovery Act activities. We informed OAAM of concerns we identified in the draft plan, and OAAM revised and issued the plan in final. OAAM's final plan and additional explanations adequately addressed most of our concerns, except for those related to the OJP's oversight of the OVW and COPS Office. Our concern in this area is that OAAM and the OCFO should be providing certain oversight and support services for the OVW and COPS Office that they provide for OJP. For example, OAAM performs oversight of monitoring activities and program assessments for OJP and the COPS Office, but not for the OVW.

According to an OAAM official and an OVW official, by statute, OAAM must have the Attorney General's permission to exercise oversight authority of programs outside of OJP and COPS, and the Attorney General has not granted such authority. An OAAM official told us that officials in the Office of the Associate Attorney General are aware of this issue. We discussed the

inconsistencies in services with a Deputy Associate Attorney General in the Office of the Associate Attorney General, who told us that meetings have been held with the Associate Attorney General to discuss the OVW oversight issue. However, before making a proposal to the Attorney General, the official said that the Office of the Associate Attorney General wanted to ensure that: (1) coordinated oversight and consistent policies and procedures exist for all grant programs in the Department, and (2) funding has been identified to pay for the oversight.

In another example, the OCFO provides financial reviews and clearances of grant application budgets to OJP, but not to the COPS Office or the OVW because, according to an OCFO official, the OVW believes the OCFO charges too much for these services and the OVW would prefer to perform the services in-house and has recently staffed its new Grant Financial Management Division. An OVW official told us that OVW does not use the OCFO to provide financial review and budget clearance services because the OVW: (1) believes that it can provide better customer service to its grantees and program managers, (2) wants to establish subject matter experts for its grants, and (3) believes it would be less costly to hire its own staff or contractors to perform these services.

The OCFO official told us that financial reviews and clearances of grant application budgets are not provided to the COPS Office because of the latter's provision of the services in-house. The COPS Office told us it believes that it makes more sense for it to conduct the financial review and budget clearance because of the knowledge gained from conducting the programmatic reviews.

While the OVW and COPS Office appear to have a reasonable basis for performing some oversight and financial services in house, we remain concerned that the capability to perform these services has been well established in OAAM and the OCFO and that the capability is not being fully used by the OVW and the COPS Office.

As discussed in this report, the Department has established OAAM as the primary office with responsibility for monitoring and oversight of Department grants. While OJP was slow to staff OAAM, our audit found that OAAM has now filled its allotted positions and is improving the oversight and monitoring that it performs of OJP grants. Despite these improvements, OVW and the COPS Office perform certain monitoring and oversight services that we believe are duplicative of the services available through OAAM and OJP's Office of the Chief Financial Officer. To eliminate such duplication and to provide uniformity in oversight among Department granting agencies, we

believe that the Department should standardize the oversight services provided to the OVW and the COPS Office.

*Recovery Act Recipient Reporting: Data Quality Review Process and Procedures*

At the request of OJP's Deputy Assistant Attorney General, we reviewed OJP's draft "Recovery Act Recipient Reporting: Data Quality Review Process and Procedures." We identified various concerns about the procedures and provided OAAM with our concerns. OAAM updated its data quality review process and procedures, which adequately addressed our concerns.

At the request of the Recovery Accountability and Transparency Board, we also participated in a government-wide Recovery Act Reporting Data Quality Review. Based on our work, we issued two reports, one in October 2009 and the other in February 2010.<sup>8</sup>

Our first report noted that the Department had made significant efforts to develop data quality review processes and procedures for ensuring that data reported by Recovery Act funding recipients is complete and accurate. The Department's Justice Management Division developed automated screening and data validation systems to support awarding agencies' verification of recipients' reports and to enable the Department as a whole to identify any material omissions and significant errors. The Department's granting agencies separately developed quality review processes that appear to provide effective means for assessing the quality of the reported information and correcting any deficiencies identified. We concluded that further process improvements would be useful as the initial Recovery Act reporting is completed and experience is gained with the reporting system.

Our second report noted that Department components were making progress towards ensuring that recipients of Recovery Act funds submit quarterly reports to [www.FederalReporting.gov](http://www.FederalReporting.gov) as required, and for ensuring that the data reported is accurate. For the initial reporting period ended September 30, 2009, the Department reported to OMB a total of

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<sup>8</sup> U.S. Department of Justice Office of the Inspector General, *Review of Department of Justice Data Quality Procedures for Recovery Act Recipient Reports* (October 2009), and U.S. Department of Justice Office of the Inspector General, *Review of Department of Justice Data Quality Procedures for Recovery Act Recipient Reports Phase II*, Report Number 10-16, (February 2010).

733 Recovery Act recipients out of 4,050 (18 percent) that did not submit the required reports. Of the 733 non-reporting recipients, 548 were OJP recipients; 166 were COPS Office recipients; 18 were OVW recipients; and 1 was an Alcohol, Tobacco, Firearms and Explosives (ATF) recipient. For the subsequent reporting period ended December 31, 2009, the Department reported to OMB a total of 155 Recovery Act recipients out of 4,039 (4 percent) that did not submit the required reports. Of the 155 non-reporting recipients, 121 were OJP recipients; 32 were COPS Office recipients; and 2 were OVW recipients.

### *OAAM's FY 2009 Site Visit Report Quality Review Process*

OJP's bureaus and program offices perform on-site monitoring of a selected number of grantees each year. OJP has established a site visit checklist containing the grant requirements that bureau and program offices should assess while performing the site visits. The results of the on-site monitoring are documented in site visit reports prepared by the bureaus and program offices. OAAM is in the process of establishing a procedure to review the site visit reports to ensure their quality. OAAM is also making progress on revising its site visit report review process by developing and using a standard checklist to score site visit reports both on the completeness and level of detail associated with the information in the report. We reviewed OAAM's draft process and checklist and identified concerns, including the following.

- OAAM staff reviewed component-prepared review reports and scored each report separately for coverage of required compliance tests and inclusion of sufficient detail regarding findings. However, OAAM's revised process did not define how the scores for compliance tests and report detail should be combined to determine the quality of the report. We suggested that OAAM consider removing as much of the subjectivity as possible from the site visit report rating system by defining the percentage scores that would yield a quality report.
- The revised process guidelines did not define actions to be taken based on the results of the quality review results. We suggested that the guidelines define what actions OAAM will take to address the deficiencies in each report reviewed, as well as the actions that OAAM will take to minimize such deficiencies system-wide for future site visit reports. Such actions could include additional guidance and training for the grant managers performing the site visits.

- The revised process guidelines did not clearly require that the site visit report be supported by the site review checklist. An OAAM staff member told us that OAAM had found weaknesses in documenting links between the work completed during the on-site monitoring visit using the site visit checklist and the written site visit report. The official told us that during initial working group meetings, OAAM's intent was for the program offices and bureaus to incorporate the site visit checklist into the report. At the time of the release of the Grants Management System Monitoring Module, OAAM believed that the need for the grant managers to upload the checklist into the Grants Management System would be unnecessary because grant managers were certifying the use of the checklist in the system. The OAAM official told us that they have also observed instances where report findings do not tie to the monitoring checklist.

OAAM revised the site visit checklist instructions in April 2010 to make it clear that the checklist is to be completed for each site visit and maintained by uploading it into the Grants Management System. As of January 2011, OAAM was working with the monitoring working group to finalize a revised site visit checklist. Once the checklist is finalized, OAAM plans to revise its site visit quality review process based on the suggestions we made during the audit.

#### *OAAM's FY 2010 On-site Validation Pilot Program*

To ensure that OJP grant managers follow site visit guidelines and that information collected during site visits is accurately reflected in the site visit reports, OAAM drafted procedures for a pilot program for conducting site visit validations. Under the pilot program, an OAAM evaluator would conduct pre-site visit, on-site, and post-site activities. During this audit, we identified multiple concerns with OAAM's draft on-site validation pilot program process, including the following.

- We believe that having an OAAM evaluator accompany the grant manager to observe the grant manager's monitoring activities would not result in an accurate representation of how the grant manager normally performs the on-site visits. Because the grant manager would know that the OAAM evaluator was observing, the grant manager would be more likely to ensure that the site visit procedures were carefully followed.
- The OAAM validation checklist contained 36 questions to be answered "yes," "no," or "not applicable" based on testing multiple

compliance requirements. For example, one checklist question was to determine if the grant manager completed a comparison of progress reports with the rate of expenditures. To answer this question, the OAAM evaluator had to determine whether the grant manager: (1) addressed any issues of incomplete or delinquent progress reports with the grantee, (2) determined whether the grantee adequately obligated and expended grant funds in accordance with the project timeline, and (3) reviewed financial reports in conjunction with progress reports to compare the rate of expenditures against projected activity levels. We believe that each checklist question should cover a single compliance requirement so the OAAM evaluator can address each step of the review process.

In January 2011, an OAAM official told us that OAAM no longer plans to implement the on-site validation pilot program. Rather, as part of its site visit report quality review process, OAAM will review the adequacy of the grant manager's report and supporting documentation.

*OJP's FY 2010 Standard Site Visit Checklist and OJP's Recovery Act Site Visit Checklist and Desk Review Addendum*

To help ensure that OJP grant managers complete adequate and consistent evaluations during on-site monitoring visits, OAAM revised the FY 2010 Standard Site Visit Checklist. The checklist contains steps for evaluating implementation of the grant in the areas of: (1) entrance interview, (2) financial review, (3) administrative – award file review, (4) administrative – personnel review, (5) programmatic review, (6) grant administration, (7) exit interview, and (8) other items if appropriate.

In addition to the standard site visit checklist, OAAM, in collaboration with the monitoring working group, also developed the Recovery Act Site Visit Checklist and Desk Review Addendum (RA Checklist) to be used when completing site visits of Recovery Act grants. The RA Checklist was developed to ensure that unique requirements of the Recovery Act grants, such as the reporting requirements and special conditions, are evaluated during the site visits.

We reviewed the checklists and identified concerns, including the following.

- The checklist instructions are not clear on what is required of the grant managers performing the on-site monitoring visits. The instructions state that the grant managers are required to complete all the elements contained in the checklist for a full monitoring visit



and certify that they have reviewed all the elements when they complete their site visit report in the Grants Management System. However, the instructions also state that it is strongly recommended that the grant managers use the checklist to review grantee progress during the site visit. In addition, the instructions do not require the grant managers to maintain the checklists and documentation to support their answers to the checklist questions.

- The checklist does not provide a methodology for completing review steps. For example, one checklist step requires a review of personnel timesheets to ensure that charges related to staffing are in line with the proposed budget. The guidance does not provide a methodology for selecting the timesheets for review, such as how many of the OJP grants should be reviewed; how many employees should be selected from each grant; how many timesheets should be selected for each employee; and whether the specific timesheets should be selected randomly, statistically, or judgmentally.
- The checklist instructions did not establish a time frame for completing the on-site monitoring visits. OAAM officials told us the site visits are generally planned for 1 to 3 days. However, we believe that the site visit checklist contains more steps than can be effectively and sufficiently answered during a 1- to 3-day site visit. The checklist contains 27 steps, most of which contain multiple sub-steps that must be answered to address the overall step. Moreover, some of the steps and sub-steps require detailed data analyses to sufficiently answer the steps. For example, the step discussed previously regarding reviewing personnel timesheets requires multiple sub-steps and various analyses that could be time-consuming based on the extent of the testing.

In April 2010, OAAM revised the instructions for the FY 2010 Standard Site Visit Checklist to require that the grant managers complete and maintain the checklist. As of January 2011, OAAM was working with the monitoring working group to make further revisions to the site visit checklists based on the suggestions we made during the audit.

*OCFO's FY 2010 Financial Monitoring and Technical Assistance Plan for Department of Justice Grants*

OJP's Office of the Chief Financial Officer (OCFO) annually prepares a financial monitoring and technical assistance plan to monitor financial performance of program participants. We reviewed the OCFO's FY 2010 Financial Monitoring and Technical Assistance Plans for Department of Justice Grants to determine what steps the OCFO had taken to address the management and oversight of programs, projects, and activities funded through Recovery Act and non-Recovery Act programs. We found that the OCFO's plan contained adequate steps to monitor the financial aspects of grantee recipients, including recipients that received Recovery Act funds.

We also found that the OCFO actually completed more reviews than planned in FY 2010, as shown in Exhibit 3.

**Exhibit 3: OCFO On-site and Desk Reviews Planned and Completed for FY 2010**

Type Review	FY 2010	
	Planned	Completed
On-site	410	475
Desk	528	550

**Source:** OJP's Office of the Chief Financial Officer

We noted, however, that the OCFO did not clearly document how it had selected the grants for review in FY 2010. While the OCFO's plan identified the risk factors used for grant selection, it did not describe how grants are selected for review based on the risk factors. Through interviews with OCFO officials, we learned that for some of the risk factors the OCFO selects 100 percent of the grants having the risk factor. For other risk factors, the OCFO selects a lower percentage of the grants having the risk factor, ranging from 25 percent to 75 percent. However, the selection methodology contained in the OCFO's plan did not provide the percentages for each risk factor and did not explain the rationale for selecting all grants for some risk factors and less than all grants for other risk factors. For the grants selected for review in FY 2010, the OCFO did not maintain documentation to show the factors used to select each grant.

In January 2010, OJP's OAAM completed a review of the OCFO's financial monitoring process and identified similar concerns. OAAM found that the OCFO: (1) needed to reexamine its risk-assessment model to ensure that it is comprehensively identifying, weighing, and prioritizing the factors that place grants in the most need of financial monitoring; and

(2) should collaborate more with the program offices in both deciding which grants to monitor and in conducting joint site visits. OAAM reported that while the OCFO risk-assessment model included important risk factors, such as program office referrals, awards greater than \$1 million, and awards based on a formula grant, the model does not weigh or rank those factors. Further, OAAM found that the risk-assessment model does not include risk factors based on grantee behavior, such as whether the grantee had delinquent submission of financial status or progress reports, or the “red flag” indicators identified by the OIG of high-priority grantees, including prior grant mismanagement and prior fraud. Moreover, OAAM said the OCFO needed to ensure that it is considering the most important factors when selecting grantees for site visits. As a result, OAAM recommended that the OCFO reexamine its risk-assessment model to ensure that it comprehensively identifies, weights, and prioritizes the factors that place grants in the most need of financial monitoring.

On September 29, 2010, OAAM closed the recommendation based on corrective action by the OCFO. According to an OAAM official, the OCFO’s corrective action included restructuring its FY 2011 Financial Monitoring Plan to use a risk-assessment model that calculates a score for grants and grantees. The OAAM official told us that the restructured risk-assessment model considers 20 different factors, including the score from the OJP Grant Assessment Tool, and weighs the risk and relative importance of these factors for each grant and grantee. The OCFO provided us its draft risk assessment process included in its draft FY 2011 Financial Monitoring and Technical Assistance Plan. An OCFO official told us they were in the final stages of selecting grantees for FY 2011 monitoring and expected to continue to refine the plan during the selection process. We reviewed the draft process and determined that it appears to address the concerns we raised, as well as the concerns raised by OAAM.

## **Conclusion and Recommendations**

Overall, we found that OJP has made significant improvements in its monitoring and oversight of grants, including Recovery Act grants. The establishment of OJP’s OAAM in FY 2005 has been a significant reason for the monitoring and oversight improvements. While OJP was slow to hire a permanent director of OAAM and to fill its allotted positions, a permanent director was hired in January 2009 and OAAM had filled all of its 49 federal and contractor positions as of May 2009. While OJP could have chosen to use the 3 percent of annual grant funding allowed by law to establish a much larger staff within OAAM to actually perform the on-site monitoring of grants awarded, it chose instead to implement a model in which the OJP program offices and bureaus use existing staff to perform on-site monitoring of grants

awarded, and OAAM provides oversight and review of the monitoring performed by the program offices and bureaus.

We believe that that OJP and OAAM, while initially slow to implement this approach, have developed a reasonable approach for monitoring and overseeing Department grants. This approach has allowed OJP to monitor grants totaling almost 4 times the award amount required to be monitored by law.

Since selecting a director for OAAM and increasing OAAM's staffing over the past 2 years, OAAM has worked steadily to develop plans, policies, and procedures to improve OJP's monitoring and oversight. During the audit, often at the request of OAAM, we reviewed numerous draft plans, policies, and procedures developed by OAAM. OAAM usually took prompt actions to address the concerns we identified.

However, we believe that OAAM and the OCFO should provide some of the oversight and support services for the OVW and COPS Office that they provide for OJP. Therefore, we believe that the Department should standardize the oversight services provided to the OVW and the COPS Office.

While OJP has significantly improved its monitoring and oversight of grants, additional improvements can be made. For example, we found that OJP's program offices and bureaus do not consistently and thoroughly assess the programmatic, financial, and administrative areas of the grants; nor do they retain adequate documentation to support their review work. In addition, the OCFO needed to clearly describe the methodology used to select grants for financial monitoring and maintain documentation that the grants were selected using the methodology.

Our report contains 13 recommendations to OJP, including recommendations to: (1) update the OJP Program-Specific Plan for Management of Recovery Act Funds to ensure the transparency of Recovery Act funding; (2) revise OAAM's Site Visit Report Quality Review Process to explain how deficiencies will be corrected when found and minimized OJP-wide in the future; (3) revise and clarify instructions for the Standard Site Visit Checklist; and (4) better describe the OCFO's monitoring plan and document grants selected based on the monitoring methodology.

## TABLE OF CONTENTS

	<u>Page</u>
<b>INTRODUCTION</b> .....	1
Program Office and Bureau Monitoring and Oversight .....	2
OAAM Monitoring and Oversight .....	2
OCFO Monitoring and Oversight .....	4
OIG Audit Objective and Approach.....	6
<b>FINDING AND RECOMMENDATIONS</b> .....	7
<b>OJP’S MONITORING AND OVERSIGHT OF RECOVERY ACT     AND NON-RECOVERY ACT GRANTS</b> .....	7
OJP’s Monitoring and Oversight Improvements.....	9
OJP’s Monitoring and Oversight Plans.....	12
Conclusion .....	41
Recommendations.....	42
<b>STATEMENT ON COMPLIANCE WITH LAWS AND REGULATIONS</b> ....	44
<b>STATEMENT ON INTERNAL CONTROLS</b> .....	45
<b>ABBREVIATIONS</b> .....	46
<b>APPENDIX I – Audit Objective, Scope, and Methodology</b> .....	47
<b>APPENDIX II – Office of Audit, Assessment, and Management’s     Monitoring and Oversight Improvements during FY 2007</b> .....	49
<b>APPENDIX III – Office of Audit, Assessment, and Management’s     Monitoring and Oversight Improvements during FY 2008</b> .....	51
<b>APPENDIX IV – Office of Management and Budget’s Minimum     Requirements for Inclusion in Agencies’ Recovery     Program Plans</b> .....	55
<b>APPENDIX V – Office of Audit, Assessment, and Management’s     Draft FY 2009 Site Visit Report Quality Review Process</b> .....	57
<b>APPENDIX VI – Office of Audit, Assessment, and Management’s     Draft FY 2010 On-Site Validation Pilot Program</b> .....	66

**Page**

**APPENDIX VII – Office of Audit, Assessment, and Management’s  
Draft FY 2010 Standard Site Visit Checklist ..... 82**

**APPENDIX VIII – OJP’s Recovery Act Site Visit Checklist and Desk  
Review Addendum..... 105**

**APPENDIX IX – Office of the Associate Attorney General’s  
Response to the Draft Audit Report ..... 118**

**APPENDIX X – OJP’s Response to the Draft Audit Report..... 120**

**APPENDIX XI – Office of the Inspector General Analysis and  
Summary of Actions Necessary to Close the Report ..... 126**

## Introduction

The Office of Justice Programs (OJP) is the Department of Justice's (Department) primary grant awarding agency. Since its establishment in 1984, OJP has provided grants to improve the nation's capacity to prevent and control crime, improve the criminal and juvenile justice systems, increase knowledge about crime and related issues, and assist crime victims. From October 1, 2008, through September 23, 2010, OJP made 13,850 grant awards totaling more than \$7.7 billion to state and local law enforcement and community organizations. The grant awards included 4,010 grants, totaling about \$2.8 billion, funded by the American Recovery and Reinvestment Act of 2009 (Recovery Act).

Grant monitoring is the collection of formal processes used to continuously assess the programmatic and fiscal performance of a grant. OJP is responsible for monitoring its grants to ensure that: (1) adequate progress is being made towards achieving each grant project's goals, objectives, and targets; (2) federal grant funds are expended in accordance with relevant statutes, regulations, administrative requirements, and Office of Management and Budget circulars; and (3) federal funds are used responsibly. Grant monitoring and oversight is an integrated process of programmatic, financial, and administrative management that occurs throughout the grant lifecycle from award through the closeout of program activity.

Programmatic monitoring includes reviewing the content and substance of the program, and it should include a qualitative or quantitative review to determine grant performance. Programmatic monitoring assesses whether grant activities are consistent with the grant implementation plan and responsive to grant goals and objectives stated in the original application. It also should include assessing whether grant recipients need technical assistance related to their grants, and assessing the implementation of projects and suggesting necessary modifications.

Financial monitoring includes a general review of grant recipient financial reports, as well as a review of grant expenditures compared to the approved budget and the activities completed. Financial monitoring seeks to ensure compliance with financial guidelines and general accounting practices, and to make determinations on the allowability of grant expenditures.

Administrative monitoring includes analyzing compliance with grant terms and conditions, reporting requirements, and completeness of documentation in OJP's Grants Management System.

Monitoring and oversight responsibilities for OJP's Recovery Act and non-Recovery Act grants are shared among OJP's program offices and bureaus responsible for making the awards; Office of Audit, Assessment, and Management (OAAM); and Office of the Chief Financial Officer (OCFO).

### **Program Office and Bureau Monitoring and Oversight**

OJP has the following seven program offices and bureaus that award and oversee grants.

- Bureau of Justice Assistance (BJA)
- Bureau of Justice Statistics (BJS)
- Community Capacity Development Office (CCDO)
- National Institute of Justice (NIJ)
- Office for Victims of Crime (OVC)
- Office of Juvenile Justice and Delinquency Prevention (OJJDP)
- Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART)

Monitoring by program offices and bureaus is primarily carried out by program managers responsible for the grants. The monitoring should include:

- communication with grantees through e-mail, mail, or phone calls to address specific grantee questions or program manager concerns regarding compliance or performance;
- completion of desk reviews of the materials in a grantee file to determine administrative, financial, and programmatic compliance, as well as grantee performance; and
- for selected grants, completion of site visits that include on-site monitoring at program facilities or events and in-person visits with grantees.

### **OAAM Monitoring and Oversight**

In 2005, Congress passed Public Law 109-162, the Violence Against Women and Department of Justice Reauthorization Act of 2005, which authorized the establishment of OAAM. The primary purpose of OAAM is to carry out and coordinate program assessments of grants awarded by OJP and the Department's Office of Community Oriented Policing Services (COPS Office).



While direct responsibility for monitoring grantees rests with bureaus and program offices, OAAM is responsible for oversight of monitoring activities at OJP. This oversight includes developing OJP-wide grant monitoring standards, procedures, and tools; coordinating the development of the bureaus' and program offices' programmatic monitoring annual plans; tracking updates to the plans to ensure that required monitoring levels are being met; and reviewing grant on-site monitoring reports to assess the quality and completeness of monitoring activities.

OAAM is responsible for:

- ensuring financial grant compliance and auditing of OJP's internal controls to prevent waste, fraud, and abuse;
- conducting program assessments of OJP and the Office of Community Oriented Policing Services (COPS Office) grant programs;
- overseeing monitoring activities; and
- serving as a central source for grant management policy.

Some of OAAM's oversight and support activities extend to the Office on Violence Against Women (OVW) and the COPS Office, as shown in Exhibit 4.

**Exhibit 4: Summary of Support and Oversight Provided by OJP's OAAM to OJP, the OVW and the COPS Office**

Oversight Activity	OJP	OVW	COPS
Single audit coordination	•	•	•
High-risk grantee designation	•	•	•
Assessment of internal control processes related to the Grants Management System	•		
Oversight of monitoring activities	•		•
Program assessments	•		•
Grants Management System	•	•	
Grants management training	•		
Grants management reports (includes support from the Office of the Chief Information Officer)	•		

**Source:** Office of Justice Programs

In the Finding and Recommendations section of this report, we discuss the reasons for OAAM's limited support services for the OVW and COPS Office and describe our concerns.

OAAM also performs coordination and oversight activities in support of OJP's implementation of the Recovery Act to ensure that the goals of the Recovery Act are met and that the risk of waste, fraud, error, or abuse is mitigated.

OAAM accomplishes its responsibilities through the work of the following three divisions.

- The Audit and Review Division conducts internal reviews of OJP processes and makes recommendations to enhance and strengthen internal controls, coordinates all activity related to audits of OJP operations and OJP grants, and coordinates the process for grantees designated as high risk.
- The Program Assessment Division conducts assessments of grant programs and initiatives and oversees programmatic monitoring.
- The Grants Management Division leads the development of grants management related policies and procedures, including the annual update of the Grant Manager's Manual; develops and facilitates training of OJP staff and grantees; maintains the operations of the Grants Management System; and coordinates OJP-wide peer review activities.

## **OCFO Monitoring and Oversight**

The OCFO provides fiscal policy guidance as well as accounting, budget, financial and grants management, and claims collection services to OJP bureaus and offices, and to OJP grantees.

The OCFO has four divisions.

- The Budget Execution, Planning, and Performance Division manages the performance measurement and reporting process, works to ensure fund availability and control during the grant award process, allocates and tracks OJP funds, and develops OJP's strategic plan.
- The Budget Formulation Division plans, develops, and coordinates OJP's annual budget submissions to the Department, the Office of

Management and Budget, and Congress; and serves as the OJP congressional appropriations liaison.

- The Finance, Accounting, and Analysis Division prepares and reports on audited financial statements and other financial reports; provides technical and financial assistance to grantees and program offices; develops and implements financial management policy; provides customer service support to grantees and program offices; oversees financial reports preparation for both internal and external stakeholders; and provides financial operations, including overseeing the operations of OJP financial systems.
- The Grants Financial Management Division assesses the fiscal integrity capability of prospective award recipients, performs pre-award grant budget reviews and award certifications, works to ensure federal funds are properly accounted for by conducting on-site financial monitoring reviews and performing OCFO-based financial reviews, conducts financial management training to grantees and program offices, and provides financial policy guidance and technical assistance to OJP staff and award recipients.

As shown in Exhibit 5, some but not all of the OCFO’s monitoring activities extend to the OVW and the COPS Office.

**Exhibit 5: Summary of Support and Monitoring Provided by OJP’s OCFO to OJP, the OVW, and the COPS Office during FY 2010**

Oversight Activity	OJP	OVW	COPS
Financial monitoring	•	•	•
Financial management training	•	•	
Financial review and clearance of grant application budgets	•	• <sup>9</sup>	
Withholding of funds for delinquent submission of financial and progress reports and noncompliance with other administrative and programmatic requirements	•	•	•
Certification of the availability of funding	•	• <sup>9</sup>	
Grantee funding disbursements	•	•	•

**Source:** Office of Justice Programs

<sup>9</sup> The OCFO provided this oversight activity through May 2010, and ceased because the OVW decided to provide these services in-house.

In the Finding and Recommendations section of this report we discuss why the OCFO does not provide some support services for the OVW and COPS Office and describe our concerns.

### **OIG Audit Objective and Approach**

The Department of Justice Office of the Inspector General (OIG) conducted this audit to evaluate the adequacy of OJP's plans and efforts for monitoring and overseeing Recovery Act and non-Recovery Act grants.

To accomplish the audit objective, we interviewed OJP officials, including officials from OJP's bureaus and program offices, to: (1) obtain laws, regulations, and guidelines related to the oversight and monitoring of grants; and (2) identify the actions taken by OJP to monitor and oversee its grants. We also performed testing to determine the adequacy of OJP's actions to monitor and oversee grants. Appendix I contains a more detailed description of our audit objective, scope, and methodology. The results of our audit testing are discussed in the finding section.

## **FINDING AND RECOMMENDATIONS**

### **OJP'S MONITORING AND OVERSIGHT OF RECOVERY ACT AND NON-RECOVERY ACT GRANTS**

Our audit found that OJP has made significant efforts to improve its monitoring and oversight of both Recovery Act and non-Recovery Act grant recipients. While OJP was slow to hire a director and staff for OAAM, we found that OAAM has: (1) established a working group to review existing monitoring practices and develop standard monitoring approaches and procedures; (2) developed and enhanced grant tools such as the Grants Management System, Grant Assessment Tool, and the Grant Monitoring Tool, which was replaced by the Grant Monitoring Module; (3) updated oversight and monitoring procedures in the Grant Manager's Manual; and (4) made progress in revising the site visit report quality review process to improve site visit documentation and the quality of site visit reports.

OJP also developed comprehensive plans for overseeing its Recovery Act and non-Recovery Act grants. These plans include OJP's Program-Specific Plan for Management of Recovery Act Funds, the Office of the Chief Financial Officer's Financial Monitoring and Technical Assistance Plan, and OAAM's Recovery Act Post-Award Performance and Risk Management Plan. During our audit, we reviewed these plans and provided feedback to OJP. As we identified concerns with OJP's plans, OJP took prompt actions to address most of those concerns.

OAAM has also ensured that OJP's program offices and bureaus performed monitoring for at least 10 percent of OJP's open and active grants as required by law. However, while OJP has significantly improved its monitoring and oversight of grants, additional improvements can be made. We found that OJP's program offices and bureaus do not consistently and thoroughly assess the programmatic, financial, and administrative areas of the grants; nor do they retain adequate documentation to support their review work. In addition, we found that the OCFO needed to more clearly describe the methodology it uses to select grants for financial monitoring and maintain documentation that the grants were selected based on the methodology.

Section 1158 of Public Law 109-162, the Violence Against Women and Department of Justice Reauthorization Act of 2005, established OJP's Office of Audit, Assessment, and Management.<sup>10</sup> In April 2007, Congress approved a revision to the OJP organizational chart to include OAAM. In August 2007, the Acting Associate Attorney General approved the internal organizational design for OAAM that included its three current divisions.

In January 2008, the Department of Justice Inspector General testified before the Senate Committee on the Judiciary that OJP had made slow progress in staffing OAAM and in ensuring that OAAM's monitoring efforts were effective. At that time, OAAM had not hired a permanent director and only one of OAAM's three divisions was close to fully staffed. OAAM's Audit and Review Division was close to filling its planned positions, with 15 of that division's 18 planned positions filled. The Program Assessment Division had vacancies in 6 of its 13 planned positions. In addition, OJP had not filled any of the three federal staff positions for OAAM's Grants Management Division. The OIG's assessment as of January 2008, 2 years after the passage of the Reauthorization Act, was that OJP had not devoted sufficient effort to ensuring that OAAM was adequately staffed to oversee and monitor OJP grants, despite the congressional directive and the importance of OAAM's mission.

Since that time, OJP hired a permanent director of OAAM in late 2008 and the director came on board in January 2009. OJP also increased the number of OAAM positions (government and contracted) from 35 to 49, and has filled all 49 positions with government and contracted workers. Rather than using the 3 percent of annual grant funding allowed by law to establish a larger staff within OAAM, OJP chose instead to use existing staff in OJP program offices and bureaus that perform on-site monitoring of grants.<sup>11</sup> OAAM provides oversight of the monitoring performed by these program offices and bureaus. We believe that OJP and OAAM, while slow to initially implement this approach, have developed a reasonable approach for monitoring and overseeing Department grants. This approach has allowed OJP to monitor grants totaling almost 4 times the award amount required to be monitored by law.

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<sup>10</sup> 42 U.S.C. § 3712d (2006).

<sup>11</sup> According to an OCFO official, while 3 percent was permitted under authorizing statutes to fund OAAM, in practice this amount has not been appropriated to OJP.

## OJP's Monitoring and Oversight Improvements

Since FY 2007, OJP has made improvements to its monitoring and oversight of grant activities and operations, especially through efforts of OAAM. In FY 2007, OAAM convened a working group of representatives from OJP's bureaus and offices, and from the COPS Office to review existing monitoring practices. The working group and OAAM developed a more comprehensive, standard monitoring approach and procedures that included the following.

- **Grant Monitoring Plan:** This plan contained a schedule of programmatic and fiscal monitoring site visits created to hold offices accountable for oversight of grant programs, and to ensure that each office has information needed to coordinate monitoring activities.
- **Grant Monitoring Quality Control Review:** Quarterly reviews of the OJP's and the COPS Office's monitoring plans were established by OAAM to evaluate progress in implementing the plans and to assess the quality of site visit reports.
- **Grant Monitoring Tool:** This tool contains standardized on-site monitoring procedures and a monitoring report format that allows grant managers to monitor grants and cooperative agreements consistently. The tool also increases oversight of OJP's grant programs through analysis and follow up of monitoring findings by grant managers.
- **Grant Assessment Tool:** This tool established a common, organized framework and methodology for systematically and objectively assessing risk associated with grants and grant recipients. The tool also helps ensure that grant recipients needing assistance are aided through an on-site monitoring visit. In addition, the tool helps grant managers prioritize monitoring activities based on potential vulnerabilities.

In addition to these activities, OAAM made other monitoring and oversight improvements in FY 2007, as summarized in Appendix II.

In FY 2008, OAAM developed and enhanced grant tools such as the Grants Management System, Grant Monitoring Tool, and the Grant Assessment Tool. In addition, during FY 2008 OAAM made numerous other improvements related to grant oversight, grant management and

administration, and business processes and internal controls. These improvements are summarized in Appendix III.

In FY 2009, OAAM made further enhancements to improve compliance with the policies and procedures in the Grant Manager's Manual, strengthen grant recipient oversight, and ensure that grant recipients receive consistent and quality feedback and assistance from grant managers. These enhancements included:

- releasing a new Grants Management System monitoring module;
- developing detailed policies in the Grant Manager's Manual related to grant documentation, grant issuance, and resolution of grant issues; and
- providing targeted grant monitoring training to OJP grant managers.

During FY 2010, OAAM implemented the following activities aimed at improving OJP-wide grant monitoring.

- OAAM revised the site visit report quality review process to improve site visit documentation and the quality of site visit reports. Based on results of OAAM's quality reviews of FY 2009 site visit reports, as well as discussions with the OIG, OAAM determined the need for further improvements in OJP's monitoring activities that included the following.
  - In April 2010, OJP issued a revised Standard Site Visit Checklist requiring grant managers to upload the checklist into the Grants Management System as support documentation for the grant managers' site visit reports.
  - OAAM began reviewing the Standard Site Visit Checklist for FY 2011 with the OJP Monitoring Working Group to determine if the length of the checklist is too long to be accomplished in a typical 1.5 day site visit.
  - OAAM made plans to work with the OJP Monitoring Working Group in revising the checklist format so that grant managers can better support their findings in the site visit reports.



- OAAM made plans to provide annual training to all OJP grant managers regarding deficiencies noted during component review work.
- OAAM made plans to re-assess the improvements of OJP's monitoring activities after the first quarter of FY 2011.
- OAAM launched an effort to ensure that the Grant Assessment Tool provides grant managers with the information they need to make and track their monitoring decisions and to conduct informative desk reviews. OAAM worked with the Monitoring Working Group to identify and implement updates to the existing Grant Assessment Tool, which were rolled out for the FY 2011 assessment period.
- OAAM assisted OJP program offices and the OCFO to better coordinate monitoring plans to ensure that joint site visits are conducted by OJP program offices, the OCFO, OVW, and the COPS Office.
- With the enactment of the Recovery Act, OJP has additional responsibility to ensure transparency and accountability of the use of Recovery Act grant funds through enhanced monitoring. Beginning in FY 2010, in addition to completing an annual Grant Assessment Tool desk review, grant managers are required to complete the "Recovery Act Desk Review and Site Visit Checklist" addendum. The Recovery Act addendum outlines the new requirements of the Recovery Act and associated guidance from OMB.
- OJP enhanced its monitoring threshold levels to include an additional requirement that 10 percent of total active grants be reviewed annually.<sup>12</sup> This threshold will be in addition to OJP's statutory requirement to programmatically monitor at least 10 percent of its open, active award dollars. The 10-percent statutory requirement was to ensure adequate on-site monitoring of OJP grant awards. However, for many OJP bureaus and program offices, it was possible to meet the 10-percent statutory threshold with on-site visits to a small number of grantees with high-dollar awards. OJP established the new threshold levels to ensure that OJP monitors an adequate number of grants, while continuing to

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<sup>12</sup> Because of the large number of open, active Bureau of Justice Assistance (BJA) awards, OJP required that BJA monitor 5 percent of the number of open, active awards as of October 1, 2009.

work toward improving grantee administrative, financial, and programmatic compliance, as well as grantee performance.

### **OJP's Monitoring and Oversight Plans**

OMB's Recovery Act guidance requires each federal agency receiving recovery funds to develop a formal documented plan for how the recovery funds would be applied and managed. The agency plan should describe both broad Recovery Act goals and coordination efforts within the agency toward successful implementation and monitoring. The agency plan was required to contain a summary table listing each Recovery Act program and the amount of Recovery Act funds covered by the plan broken-out by appropriation title.

OMB also requires separate plans for each Recovery Act program specifically named in the legislation. To the extent possible, each agency's Recovery Program Plan should be a summary of the specific Recovery Act projects and activities planned. Each Recovery Program Plan was to contain the 13 minimum requirements as detailed in Appendix IV.

#### *Department of Justice Agency Plan*

In May 2009, the Department's Justice Management Division published its Agency Plan for Management of Recovery Act Funds. The plan, subsequently updated in June 2010, summarized how the Department's nearly \$4 billion in Recovery Act funds would be distributed, as shown in Exhibit 6.

**Exhibit 6: Summary of Recovery Act-Funded Programs**

<b>Appropriations Title</b>	<b>Department Component</b>	<b>Total Funding</b>	<b>Allocation to Component Programs and Purpose</b>
State and Local Law Enforcement Assistance, Recovery Act	Office of Justice Programs (OJP)	\$2.765 billion	<b>\$2 billion</b> – Edward Byrne Memorial Justice Assistance Grant Program funding for a broad range of activities to prevent and control crime and improve the criminal justice system.
			<b>\$225 million</b> – Edward Byrne Competitive Grant Program funding to help communities address targeted needs.
			<b>\$225 million</b> – Grant funding for construction/renovation of correctional facilities on tribal lands.
			<b>\$125 million</b> – Grant funding for rural law enforcement activities related to preventing and combating drug-related crime.
			<b>\$40 million</b> – Grant funding for law enforcement activities along the southern border and in high-intensity drug trafficking areas (includes \$10 million of pass-through funding for the Bureau of Alcohol, Tobacco, Firearms and Explosives).
			<b>\$50 million</b> – Grant funding for initiatives related to internet crimes against children.
			<b>\$100 million</b> – Grant funding for victim compensation and assistance.
Community Oriented Policing Services, Recovery Act	Office of Community Oriented Policing Services (COPS)	\$1 billion	<b>\$1 billion</b> – Grant funding for the COPS Hiring Recovery Program to hire and rehire additional career law enforcement officers.
Violence Against Women Prevention and Prosecution, Recovery Act	Office on Violence Against Women (OVW)	\$225 million	<b>\$175 million</b> – Grant funding to support the work of state, local, and tribal governments and domestic violence and sexual assault coalitions.
			<b>\$50 million</b> – Transitional Housing Assistance Grant Program funding to provide victims of crimes against women with transitional housing services and to move such individuals into permanent housing.
Salaries and Expenses, Office of Justice programs, Recovery Act	Office of Justice Programs (OJP)	\$10 million	<b>\$10 million</b> – Administrative funding to the Office of Justice Programs, further allocated as follows: OJP: \$7.0 million COPS: \$2.5 million OVW: \$0.5 million
Salaries and Expenses, Recovery Act	Bureau of Alcohol Tobacco, Firearms and Explosives (ATF)	(Funding received through OJP)	<b>\$10 million</b> – Funding to support Project Gunrunner for the Southwest Border Initiative to reduce cross-border drug and weapons trafficking and violence on the border.
Office of the Inspector General, Recovery Act	Office of the Inspector General (OIG)	\$2 million	<b>\$2 million</b> – Funding for oversight activities and functions related to Recovery Act funding.
<b>Totals</b>	<b>Five Components</b>	<b>\$4.002 billion</b>	<b>(\$3.990 billion or 99.7 percent is for grants)</b>

**Source:** Final Department of Justice Agency Plan for Management of Recovery Act Funds

The plan described the broad Recovery Act goals, explained how different parts of the agency would coordinate efforts toward successful implementation and monitoring, and contained a summary table listing each Recovery Act program and the associated Recovery Act funding. The plan indicated that the Department would use the Recovery Act funds to promote the nation’s security, prevent crime, and enforce federal laws. The funds would cover a broad range of activities that include:

- creating and preserving jobs;
- preventing and controlling crime, including drug-related crime;
- strengthening community policing;
- supporting the work of state, local, and tribal governments to reduce violence against women and provide services to victims of such crimes; and
- reducing drug and weapons trafficking and violence on the southwest border.

*Office of Justice Program’s Program-Specific Plan*

In May 2009, OJP published its Program-Specific Plan for Management of Recovery Act funds, and in June 2009 and June 2010 published updated plans to correct funding amounts and planned completion dates, and to update annual milestones and performance measures. We reviewed OJP’s Program-Specific plan to determine if it contained the 13 minimum requirements prescribed by OMB. We found that the plan did adequately address 10 of the 13 requirements but did not adequately address the remaining 3, as shown in Exhibit 7.

**Exhibit 7: Evaluation of OJP’s Program-Specific Recovery Act Plan for Minimum Requirements**

Plan Requirement	Addressed in OJP’s Plan
Funding Table	Yes
Objectives	Yes
Activities	Yes
Characteristics	Yes
Delivery Schedule	Yes
Environmental Review Compliance	<b>No</b>
Savings or Costs	<b>No</b>

Plan Requirement	Addressed in OJP's Plan
Measures	Yes
Monitoring/Evaluation	Yes
Transparency	Yes
Accountability	Yes
Barriers to Effective Implementation	<b>No</b>
Federal Infrastructure Investments	Yes

**Source:** OIG analysis of OJP's Program-Specific Plan for Management of Recovery Act Funds

OJP's plan did not mention the environmental review compliance requirement, which determines compliance with the National Environmental Policy Act (NEPA), National Historic Preservation Act, and related statutes, or the savings or costs requirement that would address expected increases or reductions in future operational costs. The plan contained a section on Transparency, Accountability, and Barriers to Effective Implementation, but that section did not describe statutory and regulatory requirements, or other matters that may impede Recovery Act implementation.

An OJP official told us the plan did not address the environmental and cost issues because of uncertainty about the extent to which OJP's Recovery Act grantee projects would involve environmental issues, or result in costs savings or future cost increases. In addition, grantees must accept a grant special condition requiring compliance with NEPA. OJP's plan did not address statutory or regulatory requirements or impediments because no such requirements or impediments were known. OMB approved OJP's plan, and we believe the explanations provided by OJP provide a reasonable basis for excluding the three OMB requirements from the plan.

We also reviewed OJP's Program-Specific Plan to determine if the Recovery Act funding identified in OJP's plan tied to the Recovery Act funding identified in the Department's Agency Plan. The Department's final Agency Plan identified \$2,762,000,000 in Recovery Act funding for OJP, while OJP's Program-Specific Plan identified only \$2,755,024,000 in Recovery Act funding, a difference of \$6,976,000, which an OAAM official attributed to management and administration costs. In addition, OJP's plan did not identify the funding by the same programs identified in the Department's plan. Consequently, it was not readily apparent how OJP's use of \$6,976,000 in Recovery Act funds tied to the Department's planned use of Recovery Act funds. Our analysis of the Recovery Act funding identified in both plans is shown in Exhibit 8.

**Exhibit 8: Analysis of Recovery Act Funding Identified in the  
Department of Justice’s Final Recovery Act Agency Plan  
and OJP’s Program-Specific Recovery Act Plan**

<b>Department of Justice Agency Plan</b>	<b>OJP Program-Specific Plan</b>	<b>OIG Analysis</b>
<b>\$2 billion</b> – Edward Byrne Memorial Justice Assistance Grant Program funding for a broad range of activities to prevent and control crime and improve the criminal justice system.	<b>\$752,889,000</b> – Bureau of Justice Assistance Recovery Act Edward Byrne Memorial Justice Assistance Grant Program Local Solicitation	The OJP Program-Specific Plan was \$1,000 below the Department Agency Plan for this program because OJP rounded the Justice Assistance Grant Local Solicitation down to \$752,889,000 from \$752,889,078 and also rounded the Justice Assistance Grant State Solicitation down to \$1,236,110,000 from \$1,236,110,918.
	<b>\$1,236,110,000</b> – Bureau of Justice Assistance Recovery Act Edward Byrne Memorial Justice Assistance Grant Program State Solicitation	
	<b>\$1,000,000</b> – Bureau of Justice Statistics Recovery Act – Tribal Crime Data Collection, Analysis, and Estimation Project	
	<b>\$10,000,000</b> – National Institute of Justice Recovery Act Office of Science and Technology Applications	
<b>Subtotal: \$2,000,000,000</b>	<b>Subtotal: \$1,999,999,000</b>	<b>Difference: \$1,000</b>
<b>\$225 million</b> – Edward Byrne Competitive Grant Program funding to help communities address targeted needs.	<b>\$125,250,000</b> – Bureau of Justice Assistance Recovery Act Edward Byrne Memorial Competitive Grant Program	The difference of \$2,250,000 is included in the \$3,800,000 that OJP included under the National Institute of Justice Recovery Act Research and Evaluation of Recovery Act State and Local Law Enforcement. However, OJP did not explain this difference in its plan to make the funding transparent.
	<b>\$97,500,000</b> – Office of Juvenile Justice and Delinquency Prevention Recovery Act National and Local Youth Mentoring Programs	
<b>Subtotal: \$225,000,000</b>	<b>Subtotal: \$222,750,000</b>	<b>Difference: \$2,250,000</b>
<b>\$225 million</b> – Grant funding for construction/renovation of correctional facilities on tribal lands.	<b>\$225,000,000</b> – Bureau of Justice Assistance Recovery Act Correctional Facilities on Tribal Lands Program	Both plans matched.
<b>Subtotal: \$225,000,000</b>	<b>Subtotal: \$225,000,000</b>	<b>Difference: None</b>
<b>\$125 million</b> – Grant funding for rural law enforcement activities related to preventing and combating drug-related crime.	<b>\$123,775,000</b> – Bureau of Justice Assistance Recovery Act Rural Law Enforcement Assistance: Combating Rural Crime	The difference of \$1,225,000 resulted because OJP overstated the \$123,775,000 by \$25,000 based on OJP’s spending plan, and because the remaining \$1,250,000 is included in the \$3,800,000 that OJP included under the National Institute of Justice Recovery Act Research and Evaluation of Recovery Act State and Local Law Enforcement. However, OJP did not explain this difference in its plan to make the funding transparent.
<b>Subtotal: \$125,000,000</b>	<b>Subtotal: \$123,775,000</b>	<b>Difference: \$1,225,000</b>

Department of Justice Agency Plan	OJP Program-Specific Plan	OIG Analysis
<b>\$30 million</b> – Grant funding for law enforcement activities along the southern border and in high-intensity drug trafficking areas (excludes \$10 million of pass-through funding for the Bureau of Alcohol, Tobacco, Firearms and Explosives).	<b>\$29,700,000</b> – Bureau of Justice Assistance Recovery Act Combating Criminal Narcotics Activity Stemming from the Southern Border of the United States	The difference of \$300,000 is included in the \$3,800,000 that OJP included under the National Institute of Justice Recovery Act Research and Evaluation of Recovery Act State and Local Law Enforcement. However, OJP did not explain this difference in its plan to make the funding transparent.
<b>Subtotal: \$30,000,000</b>	<b>Subtotal: \$29,700,000</b>	<b>Difference: \$300,000</b>
<b>\$50 million</b> – Grant funding for initiatives related to internet crimes against children.	<b>\$500,000</b> – National Institute of Justice Recovery Act Evaluation of Internet Child Safety Materials Used by Internet Crimes Against Children Task Forces in School and Community Settings	Both plans matched.
	<b>\$2,000,000</b> – Office of Juvenile Justice and Delinquency Prevention Recovery Act Internet Crimes Against Children Research Grants	
	<b>\$41,500,000</b> – Office of Juvenile Justice and Delinquency Prevention Recovery Act Internet Crimes Against Children Task Force Program Grants	
	<b>\$900,000</b> – Office of Juvenile Justice and Delinquency Prevention Recovery Act National Internet Crimes Against Children Data System	
	<b>\$5,100,000</b> – Office of Juvenile Justice and Delinquency Prevention Internet Crimes Against Children Task Force Training and Technical Assistance Grants	
<b>Subtotal: \$50,000,000</b>	<b>Subtotal: \$50,000,000</b>	<b>Difference: None</b>
<b>\$100 million</b> – Grant funding for victim compensation and assistance.	<b>\$5,000,000</b> – Office of Victims of Crime Recovery Act – National Field Generated Training, Technical Assistance, and Demonstration Projects	Both plans matched.
	<b>\$47,500,000</b> – Office of Victims of Crime Victims of Crime Act Victim Assistance Formula Grant Program	
	<b>\$47,500,000</b> – Office of Victims of Crime Victims of Crime Act Victim Compensation Formula Grant Program	
<b>Subtotal: \$100,000,000</b>	<b>Subtotal: \$100,000,000</b>	<b>Difference: None</b>

<b>Department of Justice Agency Plan</b>	<b>OJP Program-Specific Plan</b>	<b>OIG Analysis</b>
<b>\$7 million</b> – Administrative funding to the Office of Justice Programs (excludes \$3 million allocated to COPS and OVW)		OJP did not include the \$7 million in administrative funding in its Program-Specific Plan.
<b>Subtotal: \$7,000,000</b>	<b>Subtotal: \$0</b>	<b>Difference: \$7,000,000</b>
	<b>\$3,800,000</b> – National Institute of Justice Recovery Act Research and Evaluation of Recovery Act State and Local Law Enforcement Assistance	The difference of \$3,800,000 is made up of \$2,250,000 for the Edward Byrne Competitive Grant Program, \$1,250,000 for grants for rural law enforcement, and \$300,000 for funds to combat criminal narcotics activity along the southern border of the United States.
<b>Subtotal: \$0</b>	<b>Subtotal: \$3,800,000</b>	<b>Difference: (\$3,800,000)</b>
<b>Grand Total: \$2,762,000,000</b>	<b>Grand Total: \$2,755,024,000</b>	<b>Difference: \$6,976,000</b>

**Source:** OIG analysis of the Department’s final Agency Plan for Management of Recovery Act Funds and OJP’s Program-Specific Plan for Management of Recovery Act Funds

*Other Recovery Act and Non-Recovery Act Grant Oversight and Monitoring Plans and Procedures Established by OJP*

OJP drafted or established numerous other plans and procedures for overseeing and monitoring both Recovery Act and non-Recovery Act grants that included the following.

- OAAM’s Post-Award Performance and Risk Management Plan
- Recovery Act Recipient Reporting: Data Quality Review Process and Procedures
- OAAM’s FY 2009 Site Visit Report Quality Review Process
- OAAM’s FY 2010 On-site Validation Pilot Program
- OJP’s FY 2010 Standard Site Visit Checklist
- OJP’s Recovery Act Site Visit Checklist and Desk Review Addendum
- OCFO’s FY 2010 Financial Monitoring and Technical Assistance Plan for Department of Justice Grants

We reviewed each of these plans and procedures and found them to be generally adequate to provide effective oversight and monitoring of grants. We noted some weaknesses in the plans and procedures, and OJP took



prompt actions to address most of the weaknesses during the audit. Our analyses of the plans and procedures are discussed in the following sections.

### OAAM's Post-Award Performance and Risk Management Plan

In FY 2009, OAAM requested that we review its Draft Post-Award Performance and Risk Management Plan related to Recovery Act activities. We reviewed the draft plan and provided the following concerns to OAAM.

- The plan referenced support for OJP and the COPS Office, but did not mention support for the OVW.
- The plan did not contain the methodology used to develop it and the connection between the post-award plan and any comparable pre-award plan.
- The plan did not address some of the specific risk mitigation actions, such as risks associated with the contractual use of Recovery Act funds and workforce needs, as required by OMB's February 18, 2009, Recovery Act guidance.
- The plan did not fully address OMB's requirement that the plan identify the efforts that agencies should take to identify, prioritize, and mitigate implementation risks associated with the Recovery Act that are specific to the agency and its programs. Specifically, the plan did not fully address points related to identifying high-dollar recipients, clear and measurable program outputs and outcomes, and sufficiency of existing management resources.
- The plan did not clearly identify OAAM's mitigation plans that align with specific risks as required by OMB guidance.
- The plan needed to show how OAAM would ensure the completeness of peer review and award recommendation documentation in accordance with guidelines issued by the Associate Attorney General regarding documenting grant award decisions.
- The plan needed to contain alternate approaches to acquire and validate recipient data due to uncertainties that existed regarding whether recipients would report data directly to a central and government-wide system, or whether the Department would report the data for grant recipients.

- The plan section dealing with Grantee and Grant Manager Training, should include coverage of whistleblower protection for both Department and grantee employees; and for grantees, coverage of risk-prone management areas such as financial management, internal controls, and reporting financial and program results.
- The plan section dealing with Programmatic and Financial Grant Monitoring should be clarified to show that the sample of grants included in the validation effort would cover all Recovery Act funded programs.

Subsequent to our review, OAAM took prompt actions to revise the plan and issued it in final in FY 2009. We determined that OAAM's final plan adequately addressed most of our concerns. OAAM provided additional explanations that adequately addressed the remaining issues we raised, except for concerns we identified related to OJP's oversight of the OVW and COPS Office. These concerns are discussed in more detail below.

As shown previously in Exhibits 4 and 5, OAAM and the OCFO do not provide certain oversight and support services for the OVW and COPS Office that they provide for OJP. Specifically, OAAM performs the following support activities for OJP but not for the OVW.

- Assessment of internal control processes related to the Grants Management System
- Oversight of monitoring activities
- Program assessments
- Grants management training
- Grants management reports (includes support from the Office of the Chief Information Officer)

According to an OAAM official, OAAM, by statute, must have the Attorney General's permission to exercise oversight authority of programs outside of OJP and the COPS Office. For that reason, the OAAM official told us that OAAM does not perform oversight of monitoring activities or program assessments for the OVW. The OAAM official said that OAAM does not perform the other three oversight activities for the OVW because the OVW provides those services in-house. We asked an OVW official why the OVW does not have OJP's OAAM perform the five monitoring services for the OVW. The OVW official also said that OAAM does not have the authority to

provide these services to the OVW without the Attorney General's approval. An OAAM official told us that officials in the Office of the Associate Attorney General are aware of this issue. We discussed the inconsistencies in services with a Deputy Associate Attorney General in the Office of Associate Attorney General, who told us that meetings have been held with the Associate Attorney General to discuss the OVW oversight issue. However, before making a proposal to the Attorney General, the official said that the Office of the Associate Attorney General wanted to ensure that: (1) coordinated oversight and consistent policies and procedures exist for all grant programs in the Department, and (2) funding has been identified to pay for the oversight.

To facilitate coordination among the DOJ grant-making components, the DOJ-wide Grants Management Challenges Workgroup was convened in January 2010 by the Office of the Associate Attorney General. This group, led by the Deputy Associate Attorney General and consisting of representatives from the COPS Office, OJP, and OVW, meets bi-weekly to share information and develop consistent practices and procedures in a wide variety of grant administration and management areas. In FY 2010, the workgroup developed and implemented procedures for managing a DOJ-wide high-risk grantee designation program.

In addition, OAAM provides the following support activities for OJP but not for the COPS Office.

- Assessment of internal control processes related to the Grants Management System, as well as other Grants Management System support
- Grants management training
- Grants management reports (includes support from the Office of the Chief Information Officer)

According to the OAAM official, OAAM does not provide these oversight services for the COPS Office because the COPS Office provides these services in-house. We asked a COPS Office official why the COPS Office does not have OJP's OAAM perform these oversight services for the COPS Office. The COPS Office official told us that the COPS Office has its own grants management system that contains data that COPS needs that is not contained in OJP's Grants Management System. Therefore, the COPS Office believes it is better suited to perform these services because it is more knowledgeable of its grants management system than is OJP.

We found similar issues related to the OCFO's oversight and support for the OVW and COPS Office. The OCFO performed financial reviews and clearance of grant application budgets and certified the availability of funding for OJP in FY 2010, but discontinued providing these services to the OVW at the end of May 2010 because the OVW decided to provide the services in-house. An OCFO official told us that the OVW believes that the OCFO charges too much for these services and therefore the OVW chooses to perform these services in-house. We asked an OVW official why the OVW does not have OJP's OCFO perform the two monitoring services for the OVW. The OVW official told us that OVW does not have the OCFO provide the financial review and budget clearance services because the OVW has recently staffed its new Grant Financial Management Division and OVW: (1) believes that it can provide better customer service to its grantees and program managers, (2) wants to establish subject matter experts for its grants, and (3) believes it would be less costly to hire its own staff to perform these services.

The OCFO performed the following oversight and support activities for OJP in FY 2010 but not for the COPS Office.

- Financial management training
- Financial review and clearance of grant application budgets
- Certification of the availability of funding

The OCFO official told us that the OCFO does not provide these services to the COPS Office because the COPS Office provides these services in-house. We asked a COPS Office official why the COPS Office does not have OJP's OCFO perform the three oversight services for the COPS Office. For the financial management training, the COPS Office official told us that because the COPS Office grants have specific requirements that differ from the requirements for OJP grants, the COPS Office wants to provide specific training covering those unique requirements. For the financial review and budget clearance, the COPS Office official told us that it conducts in-depth programmatic reviews of its grants that include a budget review. Therefore, the COPS Office believes that it makes more sense for it to conduct the financial review and budget clearance because of the knowledge it has from conducting the programmatic reviews. For the certification of availability of funding, the COPS Office official told us because the COPS Office already handled the pre-award issues, it made sense for it to also handle the certification of availability of funds.

While the OVW and COPS Office appear to have a reasonable basis for performing some monitoring and financial services in house, we remain concerned that the capability to perform these services has been well established in OAAM and the OCFO and that such capability is not being fully utilized.

The Department has established OAAM as the primary office with responsibility for monitoring and oversight of Department grants. While OJP was slow to staff OAAM, our audit found that OAAM now has filled its allotted positions and is continually improving the oversight and monitoring that it performs of OJP grants. Despite these improvements, the OVW and the COPS Office perform certain oversight and support services that are duplicative of the services available through OAAM and OJP's Office of the Chief Financial Officer. To eliminate such duplication and to provide uniformity in oversight among the Department's granting agencies, we believe that the Department should standardize the oversight services provided to OVW and the COPS Office.

#### Recovery Act Recipient Reporting: Data Quality Review Process and Procedures

In late FY 2009, OJP's Deputy Assistant Attorney General requested that we review OJP's draft document entitled "Recovery Act Recipient Reporting: Data Quality Review Process and Procedures." OJP developed the process and procedures in collaboration with the Department's Justice Management Division. We reviewed the draft process and procedures and provided OJP with concerns that we had regarding the process and procedures. The questions and concerns we raised included the following.

- Screening protocols needed to be documented for all data elements and acceptable values defined for each element.
- Best practices should be identified from existing post-award administration and monitoring processes.
- OJP needed to clarify who within OJP (program office, OAAM, or other) will notify grantees of data quality issues, the severity of the issues, and OJP's expectations for addressing issues. Also, OJP needed to define the issues that are verifiable and severe.
- OJP needed to clarify notification procedures that define which issues, because of their severity, require immediate correction and which may be corrected in future reports.

- OJP needed to specify procedures for how and when it will incorporate findings from data quality reviews into the risk assessment plan to identify and mitigate risks through compensating controls and actions.
- OJP needed to identify the automated screening techniques and the procedures for screening reports and when the techniques and procedures would be in place.
- OJP needed to identify the procedures for reviewing data elements and sampling recipient reports.
- In the area of risk assessment, OJP needed to specify the procedures OAAM will use to collect and analyze pertinent grant information and report it to program offices, grant managers, and grantees.
- OJP needed to identify the final OAAM guidance to be used to conduct assessments of Recovery Act grant programs and define the process for the selection of grant programs for assessments.

We met with OAAM officials in October 2009 and OAAM provided us an updated version of OJP's "Recovery Act Recipient Reporting: Data Quality Review Process and Procedures." We reviewed OJP's revised process and procedures document and determined that it adequately addressed our follow-up questions and concerns.

The Recovery Accountability and Transparency Board encouraged each federal Office of the Inspector General (OIG) overseeing Recovery Act funds to participate in a government-wide Recovery Act Reporting Data Quality Review. In October 2009, we issued a report containing the results of our Phase 1 data quality review at the Department's Justice Management Division and the Department's primary grant-making agencies – OJP, the COPS Office, and OVW.<sup>13</sup> The objective of the Phase 1 review was to determine if the Department had established processes to perform data quality reviews intended to identify material omissions and significant reporting errors by recipients and to notify the recipients of the need to make appropriate and timely changes.

Our Phase 1 review found that the Department had made significant efforts to develop data quality review processes and procedures for ensuring

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<sup>13</sup> U.S. Department of Justice Office of the Inspector General, *Review of Department of Justice Data Quality Procedures for Recovery Act Recipient Reports* (October 2009).

that data reported by Recovery Act funding recipients is complete and accurate. We determined that the Department's Justice Management Division developed automated screening and data validation systems to support awarding agencies' verification of recipients' reports and to enable the Department as a whole to identify any material omissions and significant errors. The Department's granting agencies separately developed quality review processes that appear to provide effective means for assessing the quality of the reported information and correcting any deficiencies identified. We also concluded that further process improvements would be useful, as the initial Recovery Act reporting is completed and experience is gained with the reporting system.

The Recovery Accountability and Transparency Board requested that seven members of the OIG community implement Phase 2 of the Data Quality Review during December 2009 through January 2010. In February 2010, we issued a report containing the results of our Phase 2 data quality review at the Department's Justice Management Division and the Department's primary grant-making agencies – OJP, the COPS Office, and OVW.<sup>14</sup> The objective of Phase 2 was to determine whether, during the first Section 1512 reporting cycle, each participating OIG's department: (1) identified inaccurate data and missing recipient reports, (2) identified the causes of the inaccurate data or missing reports, and (3) mitigated the causes and errors.

Our Phase 2 review found that each Department component was making progress toward ensuring that recipients of Recovery Act funds submit quarterly reports to [www.FederalReporting.gov](http://www.FederalReporting.gov) as required, and ensuring that the data reported is accurate. For the initial reporting period ended September 30, 2009, the Department reported to OMB a total of 733 Recovery Act recipients out of 4,050 (18 percent) that did not submit the required reports. Of the 733 non-reporting recipients, 548 were OJP recipients; 166 were COPS Office recipients; 18 were OVW recipients; and 1 was an Alcohol, Tobacco, Firearms and Explosives (ATF) recipient. For the subsequent reporting period ended December 31, 2009, the Department reported to OMB a total of 155 Recovery Act recipients out of 4,039 (4 percent) that did not submit the required reports. Of the 155 non-reporting recipients, 121 were OJP recipients; 32 were COPS Office recipients; and 2 were OVW recipients.

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<sup>14</sup> U.S. Department of Justice Office of the Inspector General, *Review of Department of Justice Data Quality Procedures for Recovery Act Recipient Reports Phase II*, Report Number 10-16, (February 2010).

In FY 2010, OAAM requested that we review and provide feedback on two new efforts that it was designing to improve the quality and completeness of on-site monitoring.

One initiative was to revamp OAAM's quality review process for grant site visit reports. OAAM planned to implement a system using a standard approach that assesses reports on the completeness of the information reported and the level of detail associated with the information reported. OAAM detailed the process for this initiative in its draft FY 2009 Site Visit Report Quality Review Process (see Appendix V).

The second initiative was the establishment of an on-site validation program to assess on-site monitoring conducted by the program offices. The initiative was designed to improve the quality and completeness of monitoring and to ensure that grantees receive consistent and quality feedback and assistance from grant managers. The OAAM Director told us that OAAM would conduct a pilot program by first visiting BJA Recovery Act award recipients under the Rural Law Enforcement Grants Program and the Combating Criminal Narcotics Activity Stemming from the Southern Border Grants Program. OAAM detailed the process for this initiative in its draft FY 2010 On-Site Validation Pilot Program (see Appendix VI).

In March 2010, we met with OAAM officials and provided verbal feedback on both initiatives. An important part of the two initiatives is a standard site visit checklist revised by OAAM in November 2009 (see Appendix VII). Therefore, we also provided feedback to OAAM on the site visit checklist.

In the sections below, we discuss the specific concerns we had regarding OAAM's FY 2009 Site Visit Report Quality Review Process, OAAM's FY 2010 On-Site Validation Pilot Program, and OJP's FY 2010 Standard Site Visit Checklist. We also discuss OAAM's responses and actions based on our concerns.

#### OAAM's FY 2009 Site Visit Report Quality Review Process

In previous years, OAAM performed quality reviews of grant site visit reports and rated the quality of the reports as "Excellent", "Good", or "Poor". According to OAAM officials, this rating method led to concerns about the subjectivity of the ratings, as well as questions about what constituted an "Excellent" report relative to a "Good" or "Poor" report. To address these concerns, OAAM revised the process for FY 2009 to use a standard report review checklist to score reports on both the completeness of the



information in the report, and the level of detail associated with the information in the report.

We provided OAAM officials with the following concerns regarding the revised quality review process and the standard report review checklist used by OAAM to score the site visit reports.

- The revised process calculates a “completeness” percentage score based on the number of standard report review checklist questions answered “yes,” meaning the report contained a discussion of the requirement. The revised process also calculates a “level of detail” percentage score based on the number of standard report review checklist questions supported by an adequate level of detail. However, OAAM’s process guidelines did not provide any explanation as to what the scoring percentages mean regarding the quality of the site visit report. Instead, the guidelines generally indicate that while a site visit report may be complete by containing all the required elements, the report may not be a quality report if the level of detail is lacking. Conversely, the guidelines generally indicate that a site visit report may contain a large amount of detail for the elements included in the report, but the report may not be a quality report because the report is missing many required elements.

We suggested that OAAM consider removing as much subjectivity as possible from the site visit report rating system by defining what percentage scores are needed in both the completeness and level of detail categories to make the report a quality report. We also suggested that OAAM use a system that rates the reports as either: (1) adequate; (2) adequate, except for; or (3) inadequate. Under this rating approach, OAAM should develop criteria that clearly define the completeness and level of detail standards that must be met to classify the reports as adequate; adequate, except for; or inadequate.

- The revised process guidelines did not contain procedures for what actions would be taken based on the results of the quality review results. We suggested that OAAM explain in the guidelines what actions OAAM will take to address the deficiencies in each report reviewed, as well as the actions that OAAM will take to minimize such deficiencies system-wide for future site visit reports. Such actions could include additional guidance and training for the grant managers performing the site visits and completing the site visit reports.

- The revised process guidelines do not clearly require that the site visit report be supported by the site visit checklist. An OAAM staff member told us that OAAM had found weaknesses in documenting links between the work completed during the on-site monitoring visit using the site visit checklist and the written site visit report. Our work confirmed this lack of documentation. The official stated that during initial working group meetings, their intent was for the program offices and bureaus to incorporate the site visit checklist into the report. At the time of the release of the Grants Management System Monitoring Module, OAAM believed that the need for the grant managers to upload the checklist into the Grants Management System would be unnecessary because grant managers were certifying the use of the checklist in the system.

We suggested to OAAM that the report findings should be supported by the site visit checklist. The OAAM official stated that they plan to revise the guidelines to define the elements of a finding, and to explain how the finding should be developed when conducting the on-site monitoring and completing the questions on the site visit checklist.

OAAM revised the site visit checklist instructions in April 2010 to make it clear that the checklist is to be completed for each site visit and maintained by uploading it into the Grants Management System. As of January 2011, OAAM was working with the monitoring working group to finalize the site visit checklist. Once the checklist is finalized, OAAM plans to revise its site visit quality review process based on the suggestions we made during the audit.

#### OAAM's FY 2010 On-Site Validation Pilot Program

To ensure that OJP grant managers follow site visit guidelines and that information collected during site visits is accurately reflected in the site visit reports, OAAM drafted procedures for a pilot program for conducting site visit validations. Under the draft pilot program, an OAAM evaluator would conduct pre-site visit, on-site, and post-site activities. The pre-site visit activities include a review of the grant details such as award information, progress and financial report information, and sub-grant information. The pre-site activities also include a meeting with the grant manager to discuss the results of the grant manager's desk review and impending site visit. The on-site activities include accompanying the grant manager on a monitoring site visit to observe and document the grant manager's monitoring activities. The post-site activities include reviewing the grant manager's site visit

report and preparing a Validation Memo containing a brief analysis of the desk review, site visit, and site visit report; and any issues or concerns with the desk review, site visit, or report.

We provided OAAM officials with the following concerns regarding the draft on-site validation pilot program process.

- We believed that having an OAAM evaluator accompany the grant manager to observe the grant manager's monitoring activities would not result in an accurate representation of how the grant manager normally performs the on-site visits. Because the grant manager would know that the OAAM evaluator was observing, the grant manager would be more likely to ensure that the site visit procedures were carefully followed. Instead of accompanying the grant manager on the site visit, we suggested that OAAM consider reviewing the adequacy of the grant manager's report and supporting documentation after the work has been completed and reviewed by a supervisor, and after the final report has been issued.

An OAAM official told us that they would consider our suggested approach and the OAAM reviews could focus on the documentation the grant managers retained in support of the completed grant monitoring site visit checklist. Based on OAAM's analysis of the review results, OAAM could then work with the program offices and bureaus to correct deficiencies. The OAAM official also stated that targeted training and guidance to the program offices and bureaus will be required on properly documenting and retaining support for the monitoring site visits, as well as uploading the completed grant monitoring checklists into the Grants Management System.

- The validation checklist that the OAAM evaluator planned to complete sometimes contained multiple steps to answer the checklist questions as either "yes," "no," or "not applicable." For example, one checklist question was to determine if the grant manager completed a comparison of progress reports with the rate of expenditures. To answer this question, the OAAM evaluator had to determine whether the grant manager: (1) addressed any issues of incomplete or delinquent progress reports with the grantee, (2) determined whether the grantee adequately obligated and expended grant funds in accordance with the project timeline, and (3) reviewed financial reports in conjunction with progress reports to compare the rate of expenditures against projected activity levels. We suggested that OAAM separate these steps into

individual checklist questions to provide the OAAM evaluator the ability to address each step. OAAM officials agreed that the evaluator should have the ability to address each step clearly and accurately.

In January 2011, an OAAM official told us that OAAM no longer planned to implement the on-site validation pilot program. Rather, as part of its site visit report quality review process, OAAM will review the adequacy of the grant manager's report and supporting documentation.

OJP's FY 2010 Standard Site Visit Checklist and Recovery Act Site Visit Checklist and Desk Review Addendum

To help ensure that OJP grant managers complete adequate and consistent evaluations during on-site monitoring visits to grantees, OAAM revised the FY 2010 Standard Site Visit Checklist in November 2009. The checklist is designed to capture general grant information such as the grantee name, grant numbers reviewed, and the site visit start and end dates. The checklist also contains steps for evaluating the grantee's implementation of the grant in the following areas.

- Entrance Interview
- Financial Review
- Administrative – Award File Review
- Administrative – Personnel Review
- Programmatic Review
- Grant Administration
- Exit Interview
- Other Items (if appropriate)

In addition to the standard site visit checklist, OAAM, in collaboration with the monitoring working group, also developed the Recovery Act Site Visit Checklist and Desk Review Addendum (RA Checklist) to be used in addition to the standard checklist when completing site visits of Recovery Act grants (see Appendix VIII). The RA Checklist was developed to ensure that the unique requirements of the Recovery Act grants, such as the

reporting requirements and special conditions, are evaluated during the site visits.

In March 2010 we provided OAAM officials with the following concerns regarding the November 2009 revised standard site visit checklist.

- The checklist instructions are not clear on what is required of the grant managers performing the on-site monitoring visits. The instructions state that the grant managers are required to complete all the elements contained in the checklist for a full monitoring visit and certify that they have reviewed all the elements when they complete their site visit report in the Grants Management System. However, the instructions also state that it is strongly recommended that the grant managers use the checklist to review grantee progress during the site visit. In addition, the instructions do not require the grant managers to maintain the checklists or documentation to support their answers to the checklist questions. We suggested that OAAM revise the instructions to make it clear that the grant managers are required to: (1) complete the checklist when performing the site visits, (2) maintain the completed checklists, and (3) maintain documentation to support their answers to the checklist questions. These suggested actions would help ensure that supervisors, OAAM evaluators, and external evaluators could verify and replicate the work done by the grant managers.

An OAAM official told us that OAAM is determining how much documentation is adequate. The official told us that the program offices and bureaus did not understand that using the checklist to complete the site visit means that the checklist must be retained along with support for the work completed. OAAM revised the checklist instructions in April 2010 to make it clear that the checklist is to be completed for each site visit and maintained by uploading it into the Grants Management System. The official also reiterated that the Grants Management System Monitoring Module Training Guide states that the grant managers must certify that they completed the checklist.

The OAAM Deputy Director told us that OAAM is contributing to changing the culture regarding effectively monitoring and adequately documenting monitoring activities in the program offices and bureaus. In FY 2011, OAAM plans to provide training and guidance to OJP grant managers. The program office and bureau staff believe that the monitoring site visit checklist is only a tool to use during the site visits, and that they can decide what part, if

any, of the checklist should be completed and what documentation should be retained.

In our judgment, OAAM should determine the level of documentation required to ensure checklist questions are appropriately answered, and the required level of documentation should be noted on the checklist form.

- The checklist does not provide a specific methodology for completing the individual steps. For example, one checklist step is to review personnel timesheets to ensure that charges related to staffing are in line with the proposed budget. The guidance for this step says to determine if employees in positions funded by grant funds are required to submit timesheets and if so, to determine if:
  - actual hours worked are recorded on the timesheet,
  - timesheets reflect distribution of employee activity between projects or grants,
  - personnel charges are in line with what was proposed in the original budget and application, and
  - charges exceed the total number of hours for a given pay period, and timesheets have been signed by the employee and a supervisor.

The guidance does not provide a methodology for selecting the timesheets for review, such as how many of the OJP grants should be reviewed; determining how many employees should be selected from each grant; determining how many timesheets should be selected for each employee; and selecting, through random, statistical, or other means, the specific timesheets to be reviewed.

In our judgment, to avoid varying results among reviewers, OAAM should develop clear and specific methodologies for how each checklist step should be completed.

An OAAM official agreed that guidance was needed to ensure the checklist steps are completed in a consistent manner. The OAAM official told us that OJP grant managers have different views on what should be done during site visits. As an example, the official said that some grant managers resist completing any financial-related monitoring questions because they believe they are not

qualified to do so, while other grant managers show no reluctance in completing the financial-related questions. We believe that centralized monitoring methodologies are needed within OJP to ensure the consistency of results.

- The checklist instructions do not contain guidance on what is required for the supervisory review of the checklist responses. At a minimum, we believe the supervisors should verify that the grant managers completed the checklist in accordance with established steps and that the report facts are supported by the checklist.

According to an OAAM official, the supervisors in the program offices and bureaus are required to review the site visit reports inside the Grants Management System. However, the supervisors lack guidance and training on what they should be reviewing and what is expected of them when reviewing the reports. Because some grant managers are not completing and retaining the checklist along with support for their work, the OAAM official was unclear on what the supervisors are using as a basis for evaluating the adequacy of the site visit reports.

An OAAM manager told us that each OJP program office and bureau decides what level of supervisory review is required for the on-site monitoring checklist and report. The extent of the supervisory review may vary. To help ensure consistent and appropriate oversight of site reviews, we believe that OJP should establish requirements for supervisory review and provide appropriate training to reviewers.

- The checklist instructions did not establish a time frame for completing the on-site monitoring visits. OAAM officials told us the site visits are generally planned for 1 to 3 days. However, we believe that the site visit checklist contains more steps than can be effectively and sufficiently answered during a 1- to 3-day site visit. The checklist contains 27 steps, most of which contain multiple sub-steps that must be answered to address the overall step. Moreover, some of the steps and sub-steps require detailed analyses of data to answer the steps sufficiently. For example, the step discussed previously regarding reviewing personnel timesheets requires multiple sub-steps to complete and various analyses that could be time consuming based on the extent of the testing.

According to the OAAM Director, the monitoring checklist represents a product of a working group. The Director told us that the working

group needs to reevaluate the questions on the monitoring checklist to determine the key steps that grant managers need to accomplish during the on-site visits. Then, the checklist can be revised to ensure key steps can be realistically accomplished during the limited time on-site. OAAM officials also agreed that time frames should be established for completing the on-site monitoring visits.

Another OAAM official told us that the grant managers have an in-depth knowledge and understanding of the grantees ongoing work and financial records. Therefore, the official believed that grant managers may already know the answers to some of the checklist steps prior to the on-site visit, and would not require additional on-site work.

We believe that OAAM should revise the site visit checklist to contain the key steps that need to be answered and that can be reasonably completed within the limited time available to complete the site visits. We also suggest that OAAM include guidance in the checklist on the expected time frame for completing the on-site monitoring.

As discussed above, in April 2010 OAAM revised the instructions for the FY 2010 Standard Site Visit Checklist to require that the grant managers complete and maintain the checklist. As of January 2011, OAAM was working with the monitoring working group to finalize the revised site visit checklists.

We also performed tests to determine if OJP grant managers completed the checklists when performing the site visits and maintained support for their answers to the checklist questions. During FY 2010, OJP's 7 program offices and bureaus completed on-site grant monitoring for 1,447 (11.7 percent) of the 12,394 grants that were open and active as of the beginning of FY 2010, as shown in Exhibit 9.

**Exhibit 9: Grants Monitored On-site in FY 2010**

Office	Number of Open, Active Grants as of 10-1-2009	Target Number of Grants to be Monitored	Completed Number of Grants Monitored
BJA	8,721	436	611
BJS	185	19	36
CCDO	217	22	49
NIJ	869	87	122
OJJDP	1,689	169	488



Office	Number of Open, Active Grants as of 10-1-2009	Target Number of Grants to be Monitored	Completed Number of Grants Monitored
OVC	595	60	128
SMART	118	12	13
<b>OJP Total</b>	<b>12,394</b>	<b>805</b>	<b>1,447</b>

Source: Office of Justice Programs

The number of grants monitored on-site exceeded OJP's target number of sites visits of 805 for FY 2010. OJP's target number of grants monitored on-site was 5 percent of the grants awarded by the BJA, plus 10 percent of the grants awarded by the remaining program offices and bureaus.

We analyzed whether OJP's program offices met the requirement to monitor at least 10 percent of the award amount of open and active grants as of the beginning of FY 2010. As shown in Exhibit 10, OJP performed monitoring for grants totaling about \$3 billion, or about 36 percent, of the \$8.4 billion in open and active grants, far exceeding the 10 percent requirement contained in the Violence Against Women and Department of Justice Reauthorization Act of 2005.

#### Exhibit 10: Grant Funds Monitored On-site in FY 2010

Office	Award Amount of Open, Active Grants as of 10-1 2009	Target Award Amount	Completed Dollar Value of Awards Monitored
BJA	\$4,760,627,176	\$476,062,718	\$1,775,554,247
BJS	\$127,075,689	\$12,707,569	\$19,636,383
CCDO	\$35,953,971	\$3,595,397	\$6,801,555
NIJ	\$566,991,429	\$56,699,143	\$156,840,678
OJJDP	\$1,154,363,134	\$115,436,313	\$565,566,323
OVC	\$1,699,700,350	\$169,970,035	\$520,149,734
SMART	\$34,917,168	\$3,491,717	\$5,063,662
<b>OJP Total</b>	<b>\$8,379,628,917</b>	<b>\$837,962,892</b>	<b>\$3,049,612,582</b>

Source: Office of Justice Programs

To determine if the program offices and bureaus used the standard checklist when performing the site visits and maintained supporting documentation for answers to the checklist questions, we reviewed a sample of 18 of the 127 site visit reports that had been issued as of March 8, 2010. The 18 grants we selected for testing are shown in Exhibit 11.

**Exhibit 11: FY 2010 Grant Monitoring Site Visits Tested by the OIG**

Program Office or Bureau	Reports Issued	Reports Selected for Review	Type Grant
BJA	30	2007-DJ-BX-1028 2009-SS-B9-0029 2009-SC-B9-0060	Non-Recovery Act Recovery Act Recovery Act
BJS	4	2007-BJ-CX-K017 2008-RU-BX-K005 2009-BJ-CX-K004	Non-Recovery Act Non-Recovery Act Non-Recovery Act
CCDO	7	2009-WS-QX-0101 2008-WS-QX-0072 2009-WS-QX-0108	Non-Recovery Act Non-Recovery Act Non-Recovery Act
NIJ	20	2008-WG-BX-0002 2007-DN-BX-K196 2008-DN-BX-K173	Non-Recovery Act Non-Recovery Act Non-Recovery Act
OJJDP	60	2008-JU-FX-0024 2009-SN-B9-K060 2009-SN-B9-K065	Non-Recovery Act Recovery Act Recovery Act
OVC	0	None selected	
SMART	6	2008-DD-BX-0037 2008-DD-BX-0057 2008-AW-BX-0006	Non-Recovery Act Non-Recovery Act Non-Recovery Act
<b>Totals</b>	<b>127</b>	<b>18</b>	

**Source:** Office of the Inspector General selections from universe data supplied by OJP Program Offices and Bureaus

For each of the site visit reports sampled, we requested that the applicable OJP program office or bureau provide the completed checklists, documentation to support the answers to the checklist steps, and documentation to support the grant managers' follow-up with the grantees to address any issues found during the site visits. We also requested that the program offices and bureaus provide any local procedures or alternate checklists used to complete the site visits.

For the site visit reports we reviewed, we found that the grant managers often either did not complete the standard site visit checklist or did not retain the completed site visit checklist. In addition, we found that the grant managers did not maintain documentation to support the answers to checklist questions. The details of our review are discussed below.

For the site visit reports we reviewed for the Bureau of Justice Statistics (BJS), Community Capacity Development Office (CCDO), and Office of Juvenile Justice and Delinquency Prevention (OJJDP) covering nine grants, we found that the grant managers either did not complete OJP's standard site visit checklist or did not retain the checklist. As a result, we were unable to determine whether the site visit reports were complete,

accurate, and provided sound conclusions. In contrast, for the site visit reports we reviewed for the Bureau of Justice Assistance (BJA), National Institute of Justice (NIJ), and Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART) covering nine grants, the grant managers completed and retained OJP's standard site visit checklist. However, the BJA, NIJ, and SMART grant managers did not retain supporting documentation for the answers to the checklist questions. As a result, we were unable to determine whether the site visit reports were complete, accurate, and provided sound conclusions.

Regarding the Recovery Act grants, we found that the BJA and OJJDP completed and retained the Recovery Act Site Visit Checklist and Addendum in support for the four Recovery Act site visit reports we reviewed. For each grant, the checklist appropriately assessed the accuracy of the data required to be reported under section 1512(c) of the Recovery Act. However, we found that the grant managers did not always add notes to the comment sections of the checklist to support the responses to the checklist questions. In addition, the grant managers did not retain documentation to support their answers to the checklist questions. As a result, we were unable to determine whether the site visit reports were complete, accurate, and provided sound conclusions.

An OAAM official told us that OAAM's current initiative to conduct follow-up reviews of site visit reports has shown that the grant managers are completing the site visit checklist questions, but are providing little or no detailed support for their answers to the questions.

We also reviewed the site visit reports for the 18 grants to determine if OJP's bureaus and program offices followed up on deficiencies noted in the reports to ensure corrective actions were taken by the grantees. We determined that the site visit reports for 6 of the 18 grants identified deficiencies requiring formal resolution, while the reports for the remaining 12 grants did not. We found that the grant managers responsible for the six reports with deficiencies appropriately followed up with the grantees to address and correct the deficiencies identified.

In summary, OJP has developed extensive checklists for monitoring both Recovery Act and non-Recovery Act grants, and has increased the number of on-site monitoring visits made to grantees. However, we were not able to fully evaluate the effectiveness of the on-site monitoring because grant managers often did not complete the standard site visit checklist or did not retain the completed site visit checklist, and often did not maintain documentation to support the answers to checklist questions.

## OCFO's Financial Monitoring and Technical Assistance Plan for Department of Justice Grants

OJP's Office of the Chief Financial Officer (OCFO) annually prepares a financial monitoring and technical assistance plan to detail how it plans to monitor financial performance of award recipients.

We reviewed the OCFO's FY 2009 and FY 2010 Financial Monitoring and Technical Assistance Plans for Department of Justice Grants to determine what steps the OCFO had taken to address the management and oversight of programs, projects, and activities funded through Recovery Act and non-Recovery Act programs. We found that the OCFO's plans contained adequate steps to monitor the financial aspects of grantee recipients, including recipients that received Recovery Act funds. The OCFO's plans provided that:

- financial reviews would be chosen based on input from OJP program managers and on predetermined risk factors;
- OCFO staff would review grantee financial and administrative operations to determine whether the grantee properly accounted for receipts and expenditures and whether the expenditures were in compliance with federal requirements and grant special conditions;
- reports would be issued based on the site visit results and the reports would contain findings on each identified problem area and corresponding recommendations for the grantee to address the findings; and
- grantees must submit written responses to the OCFO that adequately address reported findings, or the grantees' current funding could be temporarily frozen and the grantees could be precluded from receiving future OJP grants.

Based on the input from OJP program managers and predetermined risk factors, the OCFO selected 938 (7.6 percent) of the 12,394 open and active grants for review in FY 2010, as shown in Exhibit 12.

## Exhibit 12: OCFO's On-site and Desk Reviews Planned for FY 2010

Type Review	FY 2010	
	Number of Grants <sup>15</sup>	Amount Awarded
On-site	410	\$0.9 billion
Desk	528	\$1.1 billion
<b>Totals</b>	<b>938</b>	<b>\$2 billion</b>

Source: OJP's Office of the Chief Financial Officer

We found that the OCFO actually completed more reviews and analyses than planned in FY 2010. The OCFO completed 475 on-site reviews and 550 detailed financial desk reviews for FY 2010. The 1,025 reviews accounted for 8.3 percent of the 12,394 open and active grants at the beginning of FY 2010.

We noted, however, that the OCFO did not clearly document how it selected the grants for review in FY 2010. The OCFO uses a process for selecting grants for financial monitoring based on both risk-based and random sample selection factors taken from the total population of grants.

The OCFO first identifies grants with the following risk factors from the universe of OJP, COPS Office, and OVW grants that received funds before the end of the prior fiscal year.

- Discretionary grants with confidential funds
- Tribal Grants
- OJP discretionary grants of \$1 million or more
- New grantees with discretionary grants
- New grant programs
- COPS Office grants of \$1 million or more
- Justice Assistance Grants of \$1 million or more
- Random selection of grants of \$1 million or more

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<sup>15</sup> For FY 2010, the 410 grants selected for on-site reviews included 110 Recovery Act grants, and the 528 grants selected for financial analyses included 222 Recovery Act grants.

- Formula grants

While the OCFO's plan identifies the risk factors, it does not describe how grants are selected for review based on the risk factors. Through interviews with OCFO officials, we learned that for some of the risk factors, the OCFO selects 100 percent of the grants having the risk factor. For other risk factors, the OCFO selects a lower percentage of the grants having the risk factor, ranging from 25 percent to 75 percent. However, the selection methodology contained in the OCFO's plan did not provide the percentages for each risk factor and did not explain the rationale for selecting all grants for some risk factors and less than all grants for other risk factors. The Assistant Chief Financial Officer told us that no formal written methodology was maintained for how the risk-based criteria and percentages were selected. The official said that the risk-based criteria had been developed over an 11-year period and had been judged successful based on an independent review by the IBM Business Consulting Services. The OCFO also supplements the risk-based selections with additional grants based on recommendations from OJP's program offices and bureaus. For the grants selected for review in FY 2009 and FY 2010, the OCFO did not maintain documentation to show which grants were selected based on which factors.

We believe the methodology used to select the grants for monitoring should be fully described in the OCFO's plan and documentation should be maintained to verify that the grants selected were based on the approved methodology.

In January 2010, OJP's OAAM completed a review and issued a report on the OCFO's financial monitoring process. OAAM found that the OCFO: (1) needed to reexamine its risk-assessment model to ensure that it is comprehensively identifying, weighing, and prioritizing the factors that place grants in the most need of financial monitoring; and (2) should collaborate more with the program offices in both deciding which grants to monitor and in conducting joint site visits. OAAM reported that while the OCFO risk-assessment model included important risk factors, such as program office referrals, awards for more than \$1 million, and awards that are based on a formula grant, it does not weigh or rank those factors. Further, OAAM found that the risk-assessment model does not include risk factors based on grantee behavior, such as whether the grantee had delinquent submission of financial status or progress reports, or the "red flag" indicators identified by the OIG of high-priority grantees, including prior grant mismanagement and prior fraud. Moreover, OAAM said the OCFO needed to ensure that it is considering the most important factors when selecting grantees for site visits. As a result, OAAM recommended that the OCFO reexamine its risk-assessment model to ensure that it comprehensively identifies, weighs, and

prioritizes the factors that place grants in the most need of financial monitoring.

On September 29, 2010, OAAM closed the recommendation based on corrective action by the OCFO. According to an OAAM official, the OCFO's corrective action included restructuring its FY 2011 Financial Monitoring Plan to use a risk-assessment model that calculates a score for grants and grantees. The OAAM official told us that the restructured risk-assessment model considers 20 different factors, including the score from the OJP Grant Assessment Tool, and weighs the risk and relative importance of these factors for each grant and grantee. The OCFO provided us with its draft risk assessment process included in its draft FY 2011 Financial Monitoring and Technical Assistance Plan. An OCFO official told us they are in the final stages of selecting grantees for FY 2011 monitoring and they expect to continue to refine the plan during the selection process. We reviewed the draft process and determined that it appears to address the concerns we raised, as well as the concerns raised by OAAM.

## **Conclusion**

We found that OJP has made significant efforts to improve its monitoring and oversight of both Recovery Act and non-Recovery Act grant recipients. OJP's Office of Audit, Assessment, and Management (OAAM) was established in FY 2005. While OJP was slow to hire a permanent director of OAAM and to fill the positions allotted to OAAM, a permanent director was hired in January 2009 and OAAM was fully staffed as of May 2009. Our audit found that OJP has made improvements in grant monitoring and oversight that included:

- establishing a working group to review existing monitoring practices and develop standard monitoring approaches and procedures;
- developing and enhancing grant tools such as the Grants Management System; the Grant Assessment Tool; and the Grant Monitoring Tool, which was replaced by the Grant Monitoring Module in May 2009;
- updating oversight and monitoring procedures in the Grant Manager's Manual; and
- revising the site visit report quality review process to improve site visit documentation and the quality of site visit reports.

OJP also developed comprehensive plans for overseeing its Recovery Act and non-Recovery Act grants that included OJP's Program-Specific Plan for Management of Recovery Act Funds, the OCFO's Financial Monitoring and Technical Assistance Plan, and OAAM's Recovery Act Post-Award Performance and Risk Management Plan. We reviewed and identified some concerns with these plans, and OJP took prompt actions during the audit to address most of our concerns.

While OJP has significantly improved its monitoring and oversight of grants, additional improvements can be made. We found that OJP's program offices and bureaus do not consistently and thoroughly assess the programmatic, financial, and administrative areas of the grants; nor do they retain adequate documentation to support their review work. In addition, we found that the OCFO needed to more clearly describe the methodology it uses to select grants for financial monitoring and maintain documentation that the grants were selected based on the methodology.

## **Recommendations**

We recommend that the Office of the Associate Attorney General:

1. Continue to pursue efforts to standardize the oversight services provided by OJP to the OVW and the COPS Office.

We recommend that the Office of Justice Programs:

2. Update the OJP Program-Specific Plan for Management of Recovery Act Funds to ensure that all Recovery Act funding is identified in the plan and that the funding identified in the plan ties to the funding identified in the Department of Justice's Agency Plan for Management of Recovery Act Funds.
3. Revise OAAM's Post-Award Performance and Risk Management Plan to include reference to the Office on Violence Against Women's comparable plan.
4. Consider removing as much of the subjectivity as possible from the site visit report rating system by defining what percentage scores are needed to make the report a quality report.
5. Revise OAAM's system for rating site visit reports to ensure more consistent and understandable ratings.



6. Revise the guidelines for OAAM's Site Visit Report Quality Review Process to explain what actions OAAM will take to address the deficiencies in each report reviewed, as well as the actions that OAAM will take to minimize such deficiencies system-wide for future site visit reports.
7. Revise the guidelines for OAAM's Site Visit Report Quality Review Process to require that program office and bureau grant managers support their site visit findings by the completed Standard Site Visit Checklist and the Recovery Act Site Visit Checklist and Desk Review Addendum, as applicable.
8. Revise the instructions for the Standard Site Visit Checklist to make it clear that the grant managers are required to maintain documentation to support answers to the checklist questions.
9. Determine the level of documentation that grant managers should produce to: (1) satisfy OAAM that the Standard Site Visit Checklist questions are appropriately answered, and (2) enable OAAM to reproduce the results found by the grant managers. Then, explain in the checklist the level of documentation needed to support each checklist question.
10. Develop clear and specific methodologies for how each step in the Standard Site Visit Checklist should be completed.
11. Revise the Standard Site Visit Checklist instructions to require supervisors to review and verify that the grant managers completed the checklist in accordance with established steps and that the report facts are supported by the checklist.
12. Revise the Standard Site Visit Checklist to contain the key steps that need to be answered and that can be reasonably completed within the limited time available to complete the site visits. In addition, include guidance in the checklist on the expected time frame for completing the on-site monitoring.
13. Ensure that the OCFO's final FY 2011 Financial Monitoring and Technical Assistance Plan clearly describes the methodology used to select the grants for monitoring, and that the OCFO maintains documentation to show that the grants were selected in accordance with the approved methodology.

## STATEMENT ON COMPLIANCE WITH LAWS AND REGULATIONS

As required by the *Government Auditing Standards* we tested, as appropriate given our audit scope and objective, selected transactions, records, procedures, and practices, to obtain reasonable assurance that OJP's management complied with federal laws and regulations for which noncompliance, in our judgment, could have a material effect on the results of our audit. OJP's management is responsible for ensuring compliance with federal laws and regulations applicable to OJP. In planning our audit, we identified the following laws and regulations that concerned the operations of the auditee and that were significant within the context of the audit objective.

- American Recovery and Reinvestment Act of 2009 (Public Law 111-5)
- Section 1158 of Public Law 109-162, The Violence Against Women and Department of Justice Reauthorization Act of 2005
- 42 United States Code § 3751
- 42 United States Code § 3755
- Office of Management and Budget (OMB) Implementing Guidance for the Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009

Our audit included examining, on a test basis, OJP's compliance with the aforementioned laws and regulations that could have a material effect on OJP's operations, through interviewing auditee personnel, analyzing grant applications, assessing internal controls over the grant award process, and examining grant monitoring and oversight processes. As noted in the Finding and Recommendations section of this report, we found that some OJP program offices and bureaus do not consistently and thoroughly assess the programmatic, financial, and administrative areas of the grants; nor do they retain adequate documentation to support their review work.

## STATEMENT ON INTERNAL CONTROLS

As required by the *Government Auditing Standards* we tested as appropriate, internal controls significant within the context of our audit objective. A deficiency in an internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to timely prevent or detect: (1) impairments to the effectiveness and efficiency of operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations. Our evaluation of OJP's internal controls was *not* made for the purpose of providing assurance on its internal control structure as a whole. OJP's management is responsible for the establishment and maintenance of internal controls.

As noted in the Finding and Recommendations section of this report, we identified deficiencies in OJP's internal controls that are significant within the context of the audit objective and based upon the audit work performed that we believe adversely affect OJP's ability to provide effective monitoring and oversight of grant recipients. Ineffective monitoring and oversight of grant recipients could increase the likelihood that non-compliant grant recipients go undetected and that grant funds are not properly used.

Because we are not expressing an opinion on OJP's internal control structure as a whole, this statement is intended solely for the information and use of the auditee. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

## ABBREVIATIONS

<b>BJA</b>	Bureau of Justice Assistance
<b>BJS</b>	Bureau of Justice Statistics
<b>CCDO</b>	Community Capacity Development Office
<b>COPS</b>	Office of Community Oriented Policing Services
<b>Department</b>	Department of Justice
<b>NEPA</b>	National Environmental Policy Act
<b>NIJ</b>	National Institute of Justice
<b>OAAM</b>	Office of Audit, Assessment, and Management
<b>OCFO</b>	Office of the Chief Financial Officer
<b>OCIO</b>	Office of the Chief Information Officer
<b>OIG</b>	Office of the Inspector General
<b>OJJDP</b>	Office of Juvenile Justice and Delinquency Prevention
<b>OJP</b>	Office of Justice Programs
<b>OMB</b>	Office of Management and Budget
<b>OVC</b>	Office for Victims of Crime
<b>OVW</b>	Office on Violence Against Women
<b>RA Checklist</b>	Recovery Act Site Visit Checklist and Desk Review Addendum
<b>Recovery Act</b>	American Recovery and Reinvestment Act of 2009
<b>SMART</b>	Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking

### Audit Objective, Scope, and Methodology

#### Objective

The objective of this audit was to evaluate the adequacy of OJP's plans and efforts for monitoring and overseeing Recovery Act and non-Recovery Act grants.

#### Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

The audit period covered OJP's oversight and monitoring efforts planned or conducted in FYs 2009 and 2010. We conducted fieldwork at OJP headquarters in Washington, D.C., including the following OJP bureaus and offices.

- Office of Audit, Assessment, and Management (OAAM)
- Office of the Chief Financial Officer (OCFO)
- Bureau of Justice Assistance (BJA)
- Bureau of Justice Statistics (BJS)
- Community Capacity Development Office (CCDO)
- National Institute of Justice (NIJ)
- Office for Victims of Crime (OVC)
- Office of Juvenile Justice and Delinquency Prevention (OJJDP)
- Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART)

To accomplish the audit objective, we:

- reviewed OJP's monitoring and oversight improvements since FY 2007 through FY 2010 to determine what OAAM had done in collaboration with, or in support of OJP and the COPS Office to improve operating efficiency and effectiveness, as well as enhance

programmatic oversight of the Department's grant making agencies;

- reviewed the Department's Agency Plan to determine how the Department planned to apply and manage Recovery Act funds, and whether the Department's Plan met the minimum requirements contained in OMB Recovery Act guidance;
- reviewed OJP's Program-Specific Plan to determine whether it contained the minimum requirements contained in the OMB Recovery Act guidance;
- reviewed and provided comments on OAAM's April 2009 draft Post-Award Performance and Risk Management Plan related to oversight of Recovery Act activities;
- reviewed and provided OAAM comments on OJP's draft Recovery Act Recipient Reporting: Data Quality Review Process and Procedures;
- reviewed and provided OAAM feedback on its: (1) FY 2009 Site Visit Report Quality Review Process, and (2) FY 2010 On-site Validation Pilot Program to validate on-site monitoring conducted by the program offices;
- reviewed and provided OAAM feedback on OJP's: (1) FY 2010 Standard Site Visit Checklist, and (2) Recovery Act Site Visit Checklist and Desk Review Addendum;
- reviewed a sample of FY 2010 site visit reports for 18 of 127 grants to determine if OJP grant managers: (1) completed the standard and Recovery Act site visit checklists when performing the site visits, (2) maintained support for answers to the checklist questions, and (3) followed up with grantees to address any issues found during the site visits; and
- reviewed the OCFO's FY 2010 Financial Monitoring and Technical Assistance Plans to determine what steps it had taken to address the management and oversight of programs, projects, and activities funded through Recovery Act and non-Recovery Act programs.

## APPENDIX II

### Office of Audit, Assessment, and Management's Monitoring and Oversight Improvements during FY 2007

Improvement	Description of Improvement
<b>Program Assessment Function</b>	OAAM created a program assessment function to collect, integrate, and analyze grantee-generated reporting, grant monitoring documentation, performance measurement data, and other primary data sources to assess program performance and grantee compliance for future policy, budget, and funding decisions.
<b>Financial Management Internal Controls</b>	OAAM updated all of OJP's significant business processes, identified key internal controls within the processes that impact accurate financial reporting, and tested those key internal controls. OAAM also conducted a risk assessment of OJP's grantee and vendor payments.
<b>Information Technology Internal Controls</b>	OAAM conducted a comprehensive review of information technology controls and made recommendations to assist the Office of the Chief Information Officer (OCIO) in improving information technology internal controls. OAAM also closely monitored the status of the OCIO's implementation of the recommendations. Implementation of the OAAM's recommendations resulted in the elimination of the material weakness in information technology identified in the FY 2005 and 2006 financial statement audits.
<b>High-Risk Policy</b>	OAAM developed an OJP-wide policy to coordinate activity for grantees that may be designated as high risk.
<b>Grant Manager's Manual</b>	OAAM updated OJP's Grant Manager's Manual, which documents policies and procedures for the administration and management of all OJP grants and grant programs.

Improvement	Description of Improvement
<b>Grant Manager Performance Plans</b>	OAAM drafted a model Grant Manager Performance Work Plan that addressed critical elements outlined in the Grant Manager's Manual and established specific, measurable, achievement-based criteria for evaluating the effectiveness of grants management.
<b>Grant Management Training</b>	OAAM provided a 2-day course for 30 new grant managers on basic grant management principles and effective grant monitoring techniques. OAAM also surveyed OJP's grant managers to identify grant manager training needs.
<b>Enterprise Reporting Tool</b>	OAAM worked with the OCIO to develop management reports using the Enterprise Reporting Tool to provide greater transparency of OJP's grant management process. The tool enabled grant managers to better track grant management workload and processing times for grant adjustment notices, closeouts, and progress reports.
<b>Grants Management System On-line Training Tool</b>	OAAM, in coordination with the OCIO, developed the Grants Management System on-line computer based training tool. The tool provides OJP's grant recipients with a comprehensive curriculum to help manage grants.
<b>Grant Closeouts</b>	OAAM implemented the Grant Closeout module in the Grants Management System that enables grant recipients to have a "one stop shop" to manage grants from application to grant closeout.
<b>Funding Freeze</b>	To encourage grant recipients to report programmatic progress in a timely fashion, OAAM implemented the funding freeze functionality within the Grants Management System Progress Report module. This improvement temporarily freezes payments to an award recipient when progress reports have not been submitted by the due date.

**Source:** Office of Justice Programs' Office of Audit, Assessment, and Management documentation



## APPENDIX III

### Office of Audit, Assessment, and Management's Monitoring and Oversight Improvements during FY 2008

During FY 2008, OAAM made numerous grant monitoring improvements in the areas of grant oversight, grant management and administration, and business processes and internal controls, as discussed below.

#### *Grant Oversight*

We found that OAAM tracked, reviewed, and reported quarterly on its grant monitoring accomplishments including:

- continuing to lead the grant monitoring working group and engaging members in communications about new monitoring policies and tools, as well as promoting established monitoring best practices and standards;
- leading the development and implementation of detailed policies and procedures for referring and managing grant recipients recommended for high-risk designation;
- updating the Grant Manager's Manual to reflect changes in legislation, regulations, and OJP policies that affect grant management;
- collaborating with offices throughout OJP to update and enhance the Grant Assessment Tool and host feedback sessions with Grant Assessment Tool users to identify opportunities for improvement;
- updating and enhancing the Grant Assessment Tool to transition it from a spreadsheet-based tool to a database tool for use in FY 2009; and
- implementing a program assessment function to examine and report on the compliance and performance of OJP grants.

#### *Grant Management and Administration*

During FY 2008, OAAM provided OJP program offices with policies, tools, and training to improve grant management and administration. OAAM

also worked on initiatives with other federal agencies to identify promising practices in grants management. OAAM completed the following activities in support of this effort.

- OAAM identified problems in the OJP Grants Management System and recommended solutions to enhance system functionality. The enhancements included the following.
  - OAAM deployed an enhancement to the Grants Management System closeout module that automatically generates closeout packages and freezes remaining grant funds 91 days after the end date of the grant.
  - OAAM integrated the web-based grantee financial reporting system into the Grants Management System that enabled grant recipients to submit both financial and progress reports into one system. This enhancement reduced the reporting burden on grant recipients and helped ensure that official documents are maintained in the Grants Management System.
  - OAAM launched an enhanced peer review module in the Grants Management System that consolidated all peer review comments and scores in one place.
- OAAM issued an OJP-wide peer review policy and procedures document to improve the peer review process within OJP.
- OAAM provided training to grant managers and grant recipients to help ensure grant policies were widely communicated and available tools were used effectively. The training provided by OAAM included the following.
  - OAAM sponsored a training session for OJP grant managers on “Accountability for Federal Grants: Planning, Measuring, and Reporting Grant Performance” that focused on developing measurable objectives, assessing grantee progress toward achieving targets, and developing a technical assistance plan for improving performance.
  - OAAM conducted follow-up training for grant managers on effective grant monitoring practices that focused on the use of the OJP-wide Grant Monitoring Tool.

- OAAM sponsored training for grant managers on “Post Award Grant Management” that focused on the grant managers’ role in approving changes to grants, reviewing progress reports and financial reports, monitoring grants, and closing grants.
- OAAM trained OJP staff in the use of the Grant Assessment Tool.
- OAAM worked closely with the Department of Defense, the Department of Transportation, and the National Science Foundation on initiatives to streamline grants management, identify promising practices among the grant-making agencies, and develop government-wide solutions to grants management through improved access and customer service.

### *Business Processes and Internal Controls*

During FY 2008, OAAM facilitated OJP-wide business process improvement initiatives, strengthened internal controls over grant activities, improved internal and external customer satisfaction, and implemented actions to help deter fraud, waste, and abuse among OJP grants. OAAM’s efforts in these areas included:

- conducting internal reviews of OJP’s processes and making recommendations to enhance and strengthen internal controls as required by the Office of Management and Budget (OMB) Circular A-123, “Management’s Responsibility for Internal Control”;
- reviewing OJP’s significant financial management, grants management, and information technology business processes in accordance with OMB Circular A-123;
- working on a business process improvement initiative, through a working group of OJP staff, to improve performance measurement policies and procedures;
- reviewing OJP’s use of the Catalog of Federal Domestic Assistance numbers;
- implementing, in coordination with the OCIO, an earmark tracking tool to allow greater transparency of the award process for earmark grants; and

- beginning a review of the use of the OCIO's site visit and audit module in the Grants Management System.

**Office of Management and Budget's Minimum Requirements for Inclusion in Agencies' Recovery Program Plans**

**Funding Table:** Agency funding listed by program, project, and activity categories, as possible. Funds returned to the program or any offsetting collections received as a result of carrying out recovery actions are to be specifically identified.

**Objectives:** A general Recovery Act description of the program's Recovery Act objectives and relationships with corresponding goals and objectives through on-going agency programs/activities. Expected public benefits should demonstrate cost-effectiveness and be clearly stated in concise, clear and plain language targeted to an audience with no in-depth knowledge of the program. To the extent possible, Recovery Act goals should be expressed in the same terms as programs' goals in departmental Government Performance Results Act strategic plans.

**Activities:** Kinds and scope of activities to be performed.

**Characteristics:** Types of financial awards to be used (with estimated amount of funding for each), targeted type of recipients, beneficiaries and estimated dollar amounts of total Recovery Act funding for Federal in-house activity, non-federal recipients and methodology for award selection.

**Delivery Schedule:** Schedule with milestones for major phases of the program's activities with planned delivery dates.

**Environmental Review Compliance:** Description of the status of compliance with National Environmental Policy Act, National Historic Preservation Act, and related statutes.

**Savings or costs:** Expected increases or reductions in future operational costs.

**Measures:** Expected quantifiable outcomes consistent with the intent and requirements of the legislation and the risk management requirements, with each outcome supported by corresponding quantifiable outputs.

**Monitoring/Evaluation:** Description of the agency process for periodic review of program's progress to identify areas of high risk, high and low performance, and any plans for longer term impact evaluation.

**Transparency:** Description of agency program plans to organize program cost and performance information available at applicable recipient levels.

**Accountability:** Description of agency program plans for holding managers accountable for achieving Recovery Act program goals and improvement actions identified.

**Barriers to Effective Implementation:** A list and description of statutory and regulatory requirements, or other known matters, which may impede effective implementation of Recovery Act activities and proposed solutions to resolve by a certain date.

**Federal Infrastructure Investments:** A description of agency plans to spend funds effectively to comply with energy efficiency and green building requirements and to demonstrate federal leadership in sustainability, energy efficiency and reducing the agency's environmental impact.

## Office of Audit, Assessment, and Management's Draft FY 2009 Site Visit Report Quality Review Process

U.S. Department of Justice  
Office of Justice Programs  
Office of Audit, Assessment, and Management



### FY 2009 Site Visit Report Quality Review Process

As part of an overall grant monitoring program, a quality review process for site visit reports helps to validate that not only has a grant manager performed his or her required monitoring duties, but he or she has performed them in a manner consistent with the goals of a strong oversight program. In previous years OAAM has performed a quality review of site visits based on an "Excellent" to "Poor" scale. This method led to concerns about the subjectivity of the ratings, as well as questions about what constituted an "Excellent" report relative to a "Good" or "Poor" report. To address some of these concerns, for FY 2009 a system will be implemented that uses a standard checklist to score reports on the completeness of the information in the report, as well as the level of detail associated with the information included.

#### Method

OAAM will implement a quality review process that uses a Quality Review Evaluation Form comprised of elements from the OJP site visit checklist and Grant Manager's Manual as the basis for the review. The Quality Review Evaluation Form will be made up of two parts. Part 1 will focus on whether or not all elements were included in the site visit report, while Part 2 will address the level of detail contained in the report for each element. This will allow OAAM to determine not only if the appropriate information was contained in the report, but also if the information was in-depth enough to be useful. A score will be generated for Part 1 and Part 2, and each score will be recorded and documented in an Excel spreadsheet.

For quality assurance purposes, two reviewers will examine site visit reports independently. Once the initial review is complete, the reviewers will discuss their results, ensuring that no review elements are missed during examination, and reinforcing reviewer objectivity. In the event that there is a discrepancy between the two reviewers as to whether an element was sufficiently included in the report, the reviewers will discuss the element together and come to a consensus.

#### Sampling and Resource Requirements

In the past, OAAM has sampled 10 percent of grant awards (or at least 10 reports for each program office) that were site visited, and reviewed the site visit reports associated with these grants. Since site visit reports were uploaded to each individual grant award in GMS, it was difficult to track how many individual site visit reports were produced, and thus the sample was based on the total number of grants for which site visits were conducted. This sampling strategy may have resulted different sampling rates for each office, depending upon how many site visit reports included two or more grants. Beginning in May 2009, the enhanced GMS Monitoring Module was available to grant managers for the creation of site visits and completion of post-site visit documentation. Using the GMS Monitoring Module, grant managers are able to create site visits and associate multiple individual grant awards with the visit. This allows for the tracking of individual site visit reports through ERT reporting and for OAAM to identify the actual number of reports that were submitted. This will allow for sampling of 10 percent of actual site visit reports rather than sampling 10 percent of awards as was done in the past.

Since the GMS Monitoring Module will be used going forward, the sample of reports for the FY 2009 Quality Review will be pulled from all grant awards with site visits conducted in Q3 and Q4.

These two quarters were the only quarters of FY 2009 for which the Module was available for the completion of site visit reports for the entire quarter.

Of the 511 grant awards that were site visited in Q3 and Q4, reports for 374 were completed using the GMS Monitoring Module, 134 had a report completed using the Grants Monitoring Tool (GMT), and 8 had reports that were not completed using the GMT or the GMS Monitoring Module. The 374 grant awards with reports completed using the enhanced Monitoring Module were associated with 146 site visit reports.

Using an approach that calls for a 10% sample of site visit reports by office (or at a minimum 10 reports per office) will result in a review of 71 site visit reports (10 from all offices except SMART, who had only one report in the time period). Due to the fact that the COPS Office follows its own monitoring procedures and does not use the GMS Monitoring Module, OAAM will sample 10 percent of the hard copy reports submitted by that office, or a minimum of ten reports.

**Table 1. GMS usage of awards reviewed in FY 2009 Q3 and Q4**

Office	No. of awards using GMT	No. of awards using GMS	No. of awards using other form	No. of site visit reports submitted using module	No. of reports to review based on 10% of reports
BJA	11	57	7	17	10
BJS	0	17	0	12	10
CCDO	2	46	1	41	10
NIJ	1	20	0	15	10
OJJDP	56	205	1	42	10
OVC	58	26	0	18	10
SMART	0	3	0	1	1
COPS*	0	0	100	0	10
<b>Grand Total</b>	128	374	109	146	71

\*The COPS Office uses its own processes for completing site visit reports. The COPS Office completed 37 site visit reports in FY 2009 for 100 awards. COPS submitted hard copies of these reports to OAAM each quarter.

### Estimated Level of Effort

Using the method described above, it is estimated that a reviewer could examine two site visit reports an hour. Adding another hour of time for every 5 reports for potential discussion points between the two reviewers results in the estimated level of effort for shown below in Table 3. The "Review Hours" column includes the total hours for both reviewers, as these reviews will be performed concurrently by both reviewers.



**Table 3. Estimated number of hours required for a quality review of FY 2009 Site Visit Reports**

Site Visit Report Population	Number of Reports to be Reviewed	Review Hours	Discussion Hours	Total Hours
Q3 and Q4 site visit reports in GMS	71	71	14	85

This level of effort reflects only the approximate hours necessary to perform the actual quality review of the site visit reports. Any additional analysis of the results of the review would require additional effort not captured here.

**Proposed Quality Review Format**

The following is the proposed format for a quality review process. Reviewers will complete the Quality Review Evaluation Form for each site visit report. A high quality site visit report should contain most or all of these elements. These elements are broken out based on the structure of site visit report fields in the GMS Monitoring Module.

DRAFT

**Fiscal Year (FY) 2009 Quality Review Evaluation**

**Program Office:** \_\_\_\_\_

**Grant Manager:** \_\_\_\_\_

**Selected Site Visit ID:** \_\_\_\_\_

**Site Visit Start/End Date:** \_\_\_\_\_

**Grant Number(s):** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Instructions for Completing the Quality Review (QR) Evaluation form**

The reviewer will complete one QR Evaluation form per site visit report. The reviewer will select one response for each question for Part 1 (Completeness) and where appropriate, Part 2 (Level of Detail). The reviewer will tally results as defined in the “Scoring” section, and generate a score for each part of the review. The reviewer will also complete the information for the statistics table. Overall comments about the site visit regarding strong or weak points, etc., should be captured in the “Comments” box after the scoring table.

**Quality Assessment:**

OAAM views quality as a combination of the completeness of the elements provided in a report, and the level of detail provided about each element. While a report that includes all the elements listed below in a cursory manner may be compliant with the requirements of a review, it may not necessarily be considered a quality site visit report. Conversely, if a site visit report contains a large amount of detail and analysis, but neglects half of the required data elements, it may not necessarily be considered a quality site visit report. A quality site visit report will contain the necessary data elements at a level of detail and analysis that creates a picture as to how a grantee is performing.

**Part 1: Completeness**

The reviewer shall identify whether the grant manager has addressed the elements listed in the QR Evaluation Form in the site visit report. For each element that is present in the report, the reviewer should note where it was found in the hard copy of the report to facilitate discussion in the event there is a discrepancy between reviewers.

**Part 2: Level of Detail**

The reviewer shall appraise the level of detail provided for selected elements of the site visit report. To achieve an “adequate” level of detail, the report element should demonstrate an in-depth knowledge of the grantee, and include details such as potential reasons why a deliverable is behind schedule, circumstances that may have led to issues with financial statements, or other information that provides a deeper understanding of the grantee’s performance and/or condition. Pertinent supporting information should be included, as well as analysis where appropriate. **If a reviewer does not answer “Yes” in Part 1, they should not select an answer for Part 2.**

		Part 1: Completeness		Part 2: Level of Detail	
No.	Criterion	Yes	No	Adequate	Inadequate
<b>A. Purpose</b>					
A.1	Did the site visit report clearly address the purpose of the visit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>B. Process</b>					
B.1	Did the site visit report document which site(s) and organization(s) were visited?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B.2	Did the site visit report list the key site visit participants, including the individual(s) who conducted the site monitoring, as well as the people interviewed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
B.3	Did the site visit report describe the activities performed on the site visit?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>C. Financial Review</b>					
C.1	Did the site visit report include a discussion of the financial documents reviewed while onsite?	<input type="checkbox"/>	<input type="checkbox"/>		
C.2	Did the site visit report include recommendations for any financial oversight for the grantee and/or raise any potential issues that require OCFO's attention? Or conversely, did the site visit report acknowledge that no oversight/attention is needed? <b>If the report acknowledged no oversight/attention was needed, do not answer Part Two.</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C.3	Did the site visit report contain a discussion of the results of the general budget review, including a discussion of expenditures and whether or not activities are reasonable, allowable and in alignment with the project/approved budget?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E.5	Was there a discussion of programmatic progress compared to the rate of expenditures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C.4	Does the discussion of the budget address the status of the budget (e.g., on-budget, over-budget)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

No.	Criterion	Part 1: Completeness		Part 2: Level of Detail	
		Yes	No	Adequate	Inadequate
C.5	For formula awards only, did the site visit report verify whether: <ul style="list-style-type: none"> <li>the administrative cost threshold has been exceeded?</li> <li>the subgrant cost threshold had been met or exceeded?</li> </ul> <b>Do not answer this question for site visit reports covering discretionary awards.</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	For discretionary awards only, did the site visit report address <ul style="list-style-type: none"> <li>whether the budget was reviewed to determine if drawdown activity has occurred according to the timeline submitted in the application?</li> </ul> <b>Do not answer this question for site visit reports covering formula awards.</b>				
	For discretionary awards only, did the site visit report address: <ul style="list-style-type: none"> <li>whether or not the grantee exceeded expenditures per budget category in excess of 10%?</li> </ul> <b>Do not answer this question for site visit reports covering formula awards.</b>				
<b>D. Administrative Review</b>					
D.1	Did the site visit report confirm or reference a review of the award file?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D.2	Did the site visit report discuss the grantee's process for collecting and reporting performance measures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D.3	Was there a discussion of supporting data for performance measures, including any issues noted?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D.4	Did the site visit report address whether activities described in progress reports have been provided/completed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D.5	Was there a discussion as to whether duties performed by key personnel are those that were initially proposed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Part 1: Completeness		Part 2: Level of Detail	
No.	Criterion	Yes	No	Adequate	Inadequate
<b>E. Programmatic Review</b>					
E.1	Did the site visit report provide an overview of the program and the activities undertaken as part of the program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E.2	Was there a discussion of whether progress reports reflect goals and objectives outlined in the original or continuing grant application?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E.3	Was there a discussion of whether activities reported have actually occurred, and if they were reported accurately?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E.4	Was there a discussion of the project timeline, including whether project deliverables are being produced in a quality and timely manner, and project milestones are being achieved according to schedule?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E.6	Was there a discussion of any implementation problems? If there have been no implementation problems, this should be stated. <b>If the report states there were no implementation issues, do not respond to Part 2.</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>F. Promising Practices</b>					
F.1	Did the site visit report identify any promising practices, and explain them? Or conversely, did the site visit report acknowledge that there were no promising practices? <b>If there were no promising practices, do not respond to Part 2.</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>G. Issues for Resolution</b>					
G.1	If any issues for resolution were identified, did the site visit report include a discussion of them? Or conversely, did the site visit report acknowledge why no issues for resolution were identified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Part 1: Completeness		Part 2: Level of Detail	
No.	Criterion	Yes	No	Adequate	Inadequate
<b>H. Technical Assistance</b>					
H.1	Did the site visit report address any specific Technical Assistance (TA) needs/requests/ recommendations for the grant(s)? Or conversely, did the site visit report acknowledge that there are no TA requests/concerns? <b>If there were no TA requests/concerns, do not respond to Part 2.</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>I. In Closing</b>					
I.1	Did the site visit report provide a closing summary or highlight of any outstanding issues by the grant manager of the site visit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I.2	Did the site visit report provide a professional opinion of the site visit? For example, did the report discuss why the program is/is not meeting objectives and why, and/or provide conclusions drawn based on site visit, potential next steps or observations of the future state of the program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Total</b>					

<b>Comments</b>	

## Scoring

Part 1 scores are determined by dividing the number of “Yes” responses by the total number of “Yes” and “No” responses. For example, if a reviewer answered “Yes” to 16 questions, “No” to 11 questions, and had no response to 1 question, the score would be calculated as:

$$16 \text{ (“Yes” responses)} / 27 \text{ (total “Yes” and “No” responses)} = .593, \text{ or } 59.3\%.$$

Part 2 scores are determined by dividing the number of “High” responses by the total number of “High and “Low” responses. Building on the example from part one, assume that of the 16 “Yes” responses, the reviewer answered Part 2 for 14 questions due to some “Yes” responses not having a Level of Detail option, with 11 “Highs” and 3 “Lows.” This score would be calculated as:

$$11 \text{ (“High” responses)} / 14 \text{ (total “High and “Low” responses)} = .786, \text{ or } 78.6\%.$$

## Score

	Responses			
	Yes	No	Total	Percentage
Part 1: Completeness				
Part 2: Level of Detail				

## Statistics

Metric	Value
Number of grants covered by the site visit (as reported in the site visit report)	
Average dollar value of grant	
Length of site visit (reported number of days in the site visit report)	
Joint visit (simultaneous visit with OCFO)?	

## Office of Audit, Assessment, and Management's Draft FY 2010 On-Site Validation Pilot Program

U.S. Department of Justice  
Office of Justice Programs  
Office of Audit, Assessment, and Management



### FY 2010 On-Site Validation Pilot Program

*The collection of required information and accurate accounting of site visit activities is crucial to effective monitoring and oversight of grants. In order to ensure that Office of Justice Programs (OJP) grant managers are following site visit guidelines and to verify that information collected on site is accurately reflected in completed site visit reports, the Office of Audit, Assessment, and Management (OAAM) will be conducting site visit validations during the second and third quarters of FY 2010. The following narrative describes the validation process in detail. After the pilot validation visits have been conducted, OAAM will revisit the proposed on-site validation process and update it with lessons learned, as appropriate.*

#### **On Site Validation Visit Selection**

In FY 2010, OAAM will focus its site visit validations on two Recovery Act grant programs administered by the OJP's Bureau of Justice Assistance (BJA): *Combating Criminal Narcotics Activity Stemming from the Southern Border of the United States* and *Rural Law Enforcement Assistance: Combating Rural Crime*. The number of site visits on which OAAM evaluators will accompany BJA grant managers will depend largely on OAAM federal staff availability and BJA's monitoring plan.

#### **Validation Process**

One OAAM evaluator will accompany the grant manager(s) on the monitoring site visit (with the exception of the two pilot site visits, for which two OAAM evaluators will be present). The validation process will begin with pre-site visit activities, continue with on-site activities, and conclude with post-site visit activities. Throughout these phases of the validation process, the OAAM evaluator will complete the OAAM Validation Checklist (see Appendix A). This checklist is based on the OJP Site Visit Checklist and the Recovery Act Site Visit Checklist and Desk Review Addendum. It is critical that the OAAM evaluator use the Validation Checklist to record all site visit observations, as it will serve as the basis for their analysis and review of the grant manager's site visit report at the conclusion of the validation process.

#### ***Pre-Site Visit***

Prior to the actual on-site visit, the OAAM evaluator will conduct a review of the grant using the Grant Management System (GMS). This includes:

- Reviewing the award working file, including the application;
- Reviewing previous desk reviews and site visit reports;
- Reviewing the progress reports;
- Reviewing the award's special conditions;
- Reviewing the sub-grant, if applicable;
- Reviewing the financial reports;
- Reviewing the award drawdown history; and



- Reviewing the solicitation the award was funded under. Solicitations can be found at <http://www.ojp.usdoj.gov/funding/solicitations.htm>.

If the award was funded through the Recovery Act, then the OAAM evaluator should also review the following items:

- The Recovery Act application requirements, to ensure they have been met;
- Compliance with 1512 reporting requirements; and
- The site visit checklist addendum..

It is important that the OAAM evaluator conduct a thorough review so that he/she has a complete understanding of the grant.

After the OAAM evaluator has conducted his/her review, he/she will meet with the grant manager to discuss the results of the grant manager's desk review and the impending site visit. When discussing the desk review, the OAAM evaluator should ask the grant manager open-ended questions, such as "What did you find during your desk review?" Questions that could be leading, such as "Did you review the previous site visit reports, and if so, what did you find?" should be avoided. Because certain site visit criteria may be addressed during the desk review instead of on site, the OAAM evaluator should record the grant manager's responses on the Validation Checklist.

If the grant manager has not conducted a desk review of the grant in the past six months, then the OAAM evaluator should ask the grant manager why the desk review was not performed.

After the desk review discussion is completed, the OAAM evaluator should review the upcoming site visit with the grant manager. The discussion should include:

- The agenda for the site visit;
- Relevant logistical information (such as transportation and site visit location);
- Issues for resolution that were generated from desk review;
- An overview of the grant manager's history with the grantee; and
- Whether the grantee is a high risk grantee.

#### ***On-Site***

During the on-site portion of the validation process, the OAAM evaluator will accompany the grant manager to the grantee's location and observe the site visit. The OAAM evaluator will shadow the grant manager, documenting the site visit's progress in the Validation Checklist. It is important that the OAAM evaluator fill out their Validation Checklist in detail because they will refer to the checklist when evaluating the grant manager's site visit report. The OAAM evaluator should record notes about the grant manager's actions in addition to notes about the actual visit.

Although the OAAM evaluator should make every effort to silently observe the site visit, OAAM recognizes that grant managers' approaches to conducting site visits may vary from visit to visit. As such, the OAAM evaluator may have questions that arise during the course of the site visit that require clarification by the grant manager. OAAM

evaluators should use professional judgment in determining the appropriate timing and approach to asking clarification questions.

It is strongly recommend that the OAAM evaluator conduct a short daily debrief with the grant manager each day during the site visit. The purpose of this meeting will be to ask the grant manager non-leading questions about what the grant manager observed but may not have verbalized during the day. This is to ensure that the OAAM evaluator can be confident that he/she has recorded all of the grant manager's monitoring activities, especially non-verbalized observation (such as professional observations of grantees or sub-grantees). The OAAM evaluator must attempt to limit any influence these discussions may have on the grant manager's conduct during the remainder of the site visit, including during the writing of the site visit report. As an example, the OAAM evaluator should avoid asking if the grant manager has conducted specific actions (such as whether they looked for any changes in grant activity), as the question might cause the grant manager to conduct the action the next day if he/she hadn't done so already.

At the conclusion of the site visit, it is expected that all 36 Site Visit Checklist criteria will be accounted for on the OAAM evaluator's Validation Checklist. The OAAM evaluator should be able to address each of these criteria, explaining whether the criteria were or were not addressed by the grant manager during the site visit, or if the criteria were not applicable to the grantee.

#### *Post-Site Visit*

Upon completion of the site visit, the OAAM evaluator should inform the grant manager that he/she will be reviewing the grant manager's completed site visit report in GMS once it has been approved (supervisor approval required within 45 days of site visit end date). Using his/her Validation Checklist and notes, the OAAM evaluator shall review the grant manager's site visit report and record his/her observations and analysis by creating a Validation Memo. The OAAM evaluator's Validation Memo should include a brief analysis of the desk review, site visit and site visit report and any issues or concerns with the review, visit or report. The OAAM evaluator should summarize the number of site visit criteria that were addressed.

A packet of documentation containing the OAAM Validation Memo, the completed Validation Checklist, and the grant manager's approved site visit report shall serve as the official record of the site visit validation. OAAM will use their discretion in determining how best to notify the program office of the results, and work with them to improve the quality of the site visits and/or site visit reports as needed.

**Appendix A.  
Validation Checklist**

**A. Desk Review**

Did the Grant Manager complete a desk review in the past six months?? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:

**B. Entrance Interview**

a. Conduct entrance interview.

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss the expectations that were established for the site visit.</li><li>▪ Discuss any issues, problems or concerns that have developed since the pre-monitoring letter was prepared.</li></ul>

**C. Financial Review**

a. Conduct general budget review.

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether there was follow-up on any financial items identified during the desk review, if applicable.</li><li>▪ Discuss what documentation the Grant Manager reviewed, including a sample of expenditures by budget category, the grant budget, and the timeline of drawdown activity as submitted by the grantee in their application.</li></ul>

*b. Compare progress reports with rate of expenditures.*

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager addressed any issues of incomplete or delinquent progress reports with the grantee, if applicable.</li><li>▪ Discuss whether the Grant Manager determined whether the grantee is adequately obligating or expending in accordance with the project timeline.</li><li>▪ Discuss whether the Grant Manager reviewed financial reports in conjunction with progress reports to compare the rate of project expenditures against project activity levels.</li></ul>

*c. Verify grant funds are not commingled.*

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager verified that grant funds are segregated and kept separate by the grantee's financial management system.</li></ul>

*d. If a formula grant, determine whether administrative cost threshold has been exceeded.*

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager compared the original approved budget against the actual budget to determine if the allowable administrative cost percentage had been exceeded.</li><li>▪ If the allowable administrative cost has been exceeded, discuss whether the Grant Manager had the grantee explain the discrepancy.</li></ul>

e. *If formula grant, determine whether it has sub-grants, and if the cost threshold for those sub-grants has been met or exceeded.*

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager compared the original approved budget against the actual budget to determine if the allowable subgrant cost percentage had been exceeded. If it had, discuss whether the Grant Manager had the grantee explain the discrepancy.</li></ul>

f. *If a formula grant, review the overall sub-grant process.*

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager reviewed the subgrant process, including the grantee's subgrantee reporting and monitoring procedures.</li></ul>

**D. Administrative - Award File Review**

a. *Review award file and check for signed award document and correspondence of OJP grant manager.*

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager reviewed the award file.</li></ul>

b. *Confirm that services/activities described in progress reports have been provided and/or completed.*

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss how the Grant Manager confirmed the provision and/or completion of the grantee's services/activities.</li></ul>

*c. Review compliance with confidentiality requirements, if applicable.*

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss what documentation the Grant Manager reviewed in the on-site file, if applicable. Documentation could include privacy certificates, copies of modification to privacy certificates, and/or documentation of changes in research protocols.</li></ul>

*d. Review compliance with human subjects' protection requirements, if applicable.*

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss what documentation the Grant Manager reviewed in the on-site file, if applicable. Documentation could include certifications from an IRB or the OJP Office of the General Counsel.</li></ul>

*e. Confirm whether property information is being maintained, if applicable.*

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant manager reviewed any inventory records, if applicable.</li></ul>

f. Determine if any subcontractor/sub-grantee monitoring is being performed by grantee

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss what documentation the Grant Manager reviewed to determine whether the grantee is monitoring its subgrantees. Documentation could include subgrantee visit monitoring reports/checklists, written procedures regarding subgrantee monitoring, documentation of subgrantee site visit findings, financial reports, progress reports, budgets and drawdown activities. The Grant Manager may also review Recovery Act requirements as they may affect subgrantees.</li></ul>

**E. Administrative – Personnel Review**

a. Observe grant activities/services to verify whether key personnel are actually performing the duties originally proposed, if applicable.

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager verified that key personnel are performing the proposed duties assigned to them. The Grant manager may verify this through discussions, observations and/or documentation reviews.</li></ul> <p><i>In certain situations, the OAAM evaluator may not be able to confirm through observation alone whether the Grant Manager has verified key personnel activities, and may have to ask the Grant Manager directly. If so, the OAAM should use non-leading questions when dialoguing with the Grant Manager.</i></p>

b. Review personnel timesheets to ensure that charges related to staffing are in line with the proposed budget.

Was this completed?      ___ Yes   ___ No   ___ Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager determined if employees in grant-funded positions are required to submit time sheets.</li><li>▪ Discuss whether the Grant Manager reviewed any personnel timesheets.</li></ul>

**F. Programmatic Review**

a. Did the grant manager visit grant funded project sites where one or more activity/deliverable is performed?

Was this completed?      ___ Yes   ___ No   ___ Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss what locations the Grant Manager visited on the site visit.</li></ul>

b. Review proposed project goals, activities and services vs. actual activities and services

Was this completed?      ___ Yes   ___ No   ___ Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager reviewed the programmatic implementation of the grant.</li></ul>



c. Assess deliverables through observing grant activities/services, if applicable.

Was this completed?      ___ Yes   ___ No   ___ Not Applicable (explain)
Notes:
▪ Discuss whether the Grant Manager reviewed the status of the project deliverables.

d. Did you observe or were you made aware of any changes in grantee activity?

Was this completed?      ___ Yes   ___ No   ___ Not Applicable (explain)
Notes:
▪ Discuss whether the Grant Manager reviewed changes in grantee activity, and whether the Grant Manager determined if they were allowable.
<i>In certain situations, the OAAM evaluator may not be able to confirm through observation alone whether the Grant Manager has verified whether activities were allowable, and may have to ask the Grant Manager directly. If so, the OAAM should use non-leading questions when dialoguing with the Grant Manager.</i>

e. Verify that reported performance measurement data is valid, and is being collected appropriately.

Was this completed?      ___ Yes   ___ No   ___ Not Applicable (explain)
Notes:
▪ Discuss how the Grant Manager verified the validity of performance measurement data, including discussing the data with the grantee, confirming data reporting methods, and discussing performance measures with the grantee.

**G. Grant Administration**

a. As a result of your observations or discussions with grantees regarding grant activities/services, describe promising practices, if any.

Was this completed?                    ___ Yes ___ No ___ Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager found any of the grantee's activities to be a promising practice.</li></ul> <p><i>In certain situations, OAAM evaluator may not be able to confirm through observation alone whether the Grant Manager has found promising practices, and may have to ask the Grant Manager directly. If so, the OAAM should use non-leading questions when dialoguing with the Grant Manager.</i></p>

b. Note whether the grantee raised any issues during the site visit.

Was this completed?                    ___ Yes ___ No ___ Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the grantee or the Grant Manager raised any issues of concern during the site visit that might require follow up.</li></ul>

c. Before the site visit, the grant manager should review the high risk list on the OJP portal to determine if the grantee to be site visited is on the list. If the grantee was designated on the OJP High Risk grantee list, document any steps that are taken to help the grantee resolve those known issues.

Was this completed?                    ___ Yes ___ No ___ Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager determined that the grantee was high risk.</li><li>▪ Discuss what high risk-related issues the Grant Manager discussed with the grantee during the site visit, if applicable.</li></ul>

d. As a result of your observations or discussions with grantees regarding grant activities/services, note whether the grantee experienced any roadblocks to grant implementation.

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"> <li>▪ Discuss any roadblocks and/or action items the Grant Manager found during the site visit.</li> </ul> <p><i>In certain situations, the OAAM evaluator may not be able to confirm through observation alone whether the Grant Manager has found roadblocks, and may have to ask the Grant Manager directly. If so, the OAAM should use non-leading questions when dialoguing with the Grant Manager.</i></p>

e. Describe any training or technical assistance currently in progress, provided or requested. Document if any TA needs arise while on-site.

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"> <li>▪ Discuss any TA that the Grant Manager provided while on site.</li> <li>▪ Discuss any TA needs that the grantee might have.</li> </ul>

f. Thoroughly review the grantee's financial, administrative and programmatic compliance to detect any potential indicators of fraud, waste and abuse. If fraud, waste and abuse is suspected, follow OJP reporting guidance.

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"> <li>▪ Discuss whether the Grant Manager found any suspicion of fraud, waste or abuse during the site visit, and what action the Grant Manager took, if appropriate.</li> </ul> <p><i>In certain situations, the OAAM evaluator may not be able to confirm through observation alone whether the Grant Manager has found fraud, waste and abuse, and may have to ask the Grant Manager directly. If so, the OAAM should use non-leading questions when dialoguing with the Grant Manager.</i></p>

**H. Exit Interview**

*a. Complete exit interview.*

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager summarized the results of the visit.</li><li>▪ Discuss whether the Grant Manager informed the grantee of any potential issues for resolution.</li><li>▪ Discuss whether the Grant Manager solicited any feedback from the grantee about the site visit.</li></ul>

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### Validation Checklist - Recovery Act

A1. Check that the grantee and sub-grantees have compiled with Recovery Act reporting requirements under Section 1512 of the Recovery Act.

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager reviewed the grantee's quarterly reports for the following 1512 requirements: amount of funds received; amount spent on projects and activities; description of the project or activity, including completion status; the number of jobs created or retained; and details about subawards and subcontracts.</li><li>▪ Discuss whether the Grant Manager identified what type of system is being used for data collection, and whether the Grant Manager reviewed and verified documentation supporting all reported data. Documentation could include organization charts, position descriptions, staffing lists, budget comparisons or projections, timecards and payroll records, and employee activity reports.</li></ul>

A2. Determine whether the grant program(s) being monitored prohibit supplanting.

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager suspected any supplanting and if they contacted the Office of the Chief Financial Officer regarding their suspicions.</li></ul> <p><i>In certain situations, the OAAM evaluator may not be able to confirm through observation alone whether the Grant Manager has found fraud, waste and abuse, and may have to ask the Grant Manager directly. If so, the OAAM should use non-leading questions when dialoguing with the Grant Manager.</i></p>

*A3. Check special condition – limit on funds (Section 1604)*

Was this completed?                    ___ Yes   ___ No   ___ Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager examined progress and financial reports to determine if funds were used improperly in support of any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.</li><li>▪ If the Grant Manager suspects improper use of funds, discuss whether the Grant Manager requested lists of expenditures from the grantee.</li></ul>

*A4. Check special condition – Infrastructure Investment (Section 1511), special condition – preference for quick start activities (Section 1602)*

Was this completed?                    ___ Yes   ___ No   ___ Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ For grantees that will be or are using funds for infrastructure investment, discuss whether the Grant Manager confirmed that the grantee submitted a certification for infrastructure investments, and that the grantee used 50% of the funds for infrastructure activities no later than 120 days after June 13, 2009.</li></ul>

*A5. Check special condition – Buy America Act (Section 1605)*

Was this completed?                    ___ Yes   ___ No   ___ Not Applicable (explain)
Notes:
If the grantee is using Iron, Steel, or Manufactured Goods for a public building or a public work, discuss whether the Grant Manager noted this and contacted or plans to contact OGC with any questions.

*A6. Check special condition – Wage Requirements (Section 1606)*

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ Discuss whether the Grant Manager verified that the grantee included the standard Davis-Bacon contract clauses (found in 29 CFR 5.5(a)) in any covered contracts in excess of \$2,000 for construction, alteration or repair, if applicable. To do so, the Grant Manager might review job postings, offer letters, timecards, payroll records, and location prevailing wages.</li></ul>

*A7. Check special condition – National Environmental Policy Act (Section 1609)*

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ If OJP funds are being used for major renovation projects or any new construction, or programs involving the use of chemicals or any other activity, including research and technology development, that may have an effect on the environment, discuss whether the Grant Manager:<ul style="list-style-type: none"><li>○ confirmed that the grantee provided a full description of proposed project activities to OJP; an Environmental Assessment was prepared, and that OJP found that the project did not significantly affect the environment, if applicable. To do so, the Grant Manager might review proposed description, environmental assessment and any additional documentation.</li></ul></li></ul>

*A8. Justice Assistance Grant (JAG) Special Condition – Trust Fund*

Was this completed? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable (explain)
Notes:
<ul style="list-style-type: none"><li>▪ For JAG Local and JAG State grantees, discuss whether the Grant Manager confirmed that the grantee established a trust fund account, and whether the principle of funds is being maintained.</li></ul>

## Office of Audit, Assessment, and Management's Draft FY 2010 Standard Site Visit Checklist

Department of Justice  
Grant Monitoring Checklist

### Site Visit Checklist [Adobe (.pdf) version]

**INSTRUCTIONS:** You will be required to certify that you have reviewed all the elements listed below when you complete your site visit report in GMS. It is therefore strongly recommended that you use this checklist to review grantee progress during the site visit. In completing the site visit checklist, please note the following:

- Grant managers are required to complete the elements contained within this checklist for full monitoring visits. Full site visit monitoring could occur at the event site where a project deliverable is being presented, conferences, meetings convened by grantees in connection to the project, deliverable reviews (i.e., training), and cluster meetings with other grantees. To determine whether conducting an off-site monitoring visit is appropriate consider the type of project that you will be reviewing. For example, if the project is research-based, visiting the grantee at a conference may be appropriate, provided the necessary documentation is obtained to complete the requirements of a full monitoring visit. If the grant funding involves a construction project or training delivery, monitoring at a conference would not be sufficient to fulfill full site visit monitoring requirements. Full monitoring visits must include programmatic, financial, and administrative review elements. For those monitoring visits not conducted on site, if adequate information cannot be obtained during the visit, it is acceptable for grant managers to follow up and complete the checklist by obtaining required materials via fax, documented phone contact, email correspondence, etc.
- Describe in detail what you observed on-site in the "Comments and Action Items" section or document issues (if any) in the "Issues for Resolution" section.
  - Comments are general in nature, but specific to the award and site visit (e.g., the grantee has sufficient oversight procedures in place to review subgrantees).
  - Action items are defined as those that require follow up by the grant manager but do not necessarily involve the grantee (e.g., the grantee indicated that the financial report would be uploaded by 4/15. The grant manager must confirm that this has been done.).
  - Issues for resolution are defined as those that require action on the part of the grantee (e.g., the grantee is delinquent on a financial report and needs to upload the current report to GMS). Post-monitoring issues for resolution are the only conclusions that require grantee action after the site visit and follow the issue for resolution workflow outlined in Section 8.2.6.1.

It is recommended that you number each separate comment, action item, or issue for resolution (e.g. Comment #1, Comment #2, etc.).
- Please note that this Adobe (.pdf) version of the site visit checklist is designed to be printed and used for taking notes during site visits. If you choose to print and complete this Adobe (.pdf) version checklist, you are still required to enter all relevant information (comments, action items, and issues for resolution) into the Conclusions Inbox and use your checklist responses to inform the site visit report in GMS. You will be required to certify that you have completed this checklist when you complete your site visit report in GMS.



**A. Grant Information**

<b>Grantee Organization(s):</b>	<b>Grant Number(s):</b>
<b>Site Visit Start and End Dates:</b>	<b>Site Visit ID Number:</b>

**B. Entrance Interview**

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
1.	Conduct entrance interview.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<p>The purpose of the entrance interview (or conference) is to:</p> <ul style="list-style-type: none"> <li>• Set the tone and establish expectations for the onsite monitoring visit.</li> <li>• Reiterate items that have already been sent to the grant contact in the pre-monitoring letter and enclosures, and</li> <li>• Discuss issues, problems, or concerns that have developed since the pre-monitoring letter was prepared.</li> </ul>					

**C. Financial Review**

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
2.	Conduct general budget review.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>• Follow up on any financial items identified during the Pre-Site Visit review and/or desk review such as timeliness of financial reports, unallowable expenditures, or cost sharing/match. (Reference the Pre-Site Visit Monitoring guidance in GMS or the GAT User Guide on the Portal for instructions on the desk review checklist.)</li> <li>• Request sample of expenditures by budget category if not already requested or received prior to site visit. Review expenditures to determine if they are reasonable and allowable. <ul style="list-style-type: none"> <li>□ Reasonable expenditures are items purchased that are necessary to the project; the cost of the items or services should not be excessive.</li> <li>□ Allowable expenditures are those costs that are allowed under public laws and regulations (e.g., OMB circulars, FAR), as well as under the award agreement and approved budget. For example, entertainment, donations, and interest expenses are unallowable under Government projects. Where travel is charged to an individual award there should be documentation (such as a travel authorization) describing the travel and explaining how/why this trip is directly related to or will help accomplish award objectives.</li> <li>□ Review the budget to ensure that the grantee hasn't exceeded expenditures per budget category in excess of 10 percent. Movement of dollars between approved budget categories is allowable up to 10 percent of the total award amount, provided there is no change in project scope.</li> <li>□ Because discretionary grants have line item budgets, determine if drawdown activity has occurred according to the timeline submitted by the grantee in its application scope.</li> </ul> </li> <li>• If a grant or grants are undergoing an OJP audit review (e.g. A-133), review audit details in GMOC and contact the assigned GMFD monitor for any audit-related questions to be addressed during or after the site visit.</li> <li>• Grant managers should contact OCFO to address any identified issues and questions, as necessary.</li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
3.	Compare progress reports with rate of expenditures.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>• Review progress reports submitted during the past year; address any incomplete or delinquent progress reports with grantee.</li> <li>• Determine if the grantee is adequately obligating or expending in accordance with projected project(s) timeline. <ul style="list-style-type: none"> <li>◦ Does it appear that the grantee is overspending or underspending?</li> <li>◦ Should the grantee have spent more funds at this point in the execution of the project/program?</li> <li>◦ Discuss any concerns with grantee and note justification where appropriate.</li> </ul> </li> <li>• Review financial reports in conjunction with progress reports to compare the rate of expenditures with the project activity level noted in the progress report.</li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
4.	Verify that grant funds are not commingled.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>• If other funds are being used to support the grant activity, verify that the funds are segregated and that the grantee's financial management system keeps them separate. <ul style="list-style-type: none"> <li>☐ For example, can the grantee show that a budget code has been assigned to this grant?</li> <li>☐ Do discrete grant items have separate activity/accounting codes from other grant funds or funding sources?</li> </ul> </li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
5.	If a formula grant, determine whether the administrative cost threshold has been exceeded.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>• Compare original approved budget for allowable administrative cost percentage vs. actual budget. If the actual budget percentage is greater than allowable, request that the grantee explain the discrepancy.</li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
6.	If a formula grant, determine whether it has subgrants, and if the cost threshold for those subgrants has been met or exceeded.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>Compare original approved budget allowable subgrant cost percentage versus actual budget. If the actual budget percentage is greater than allowable, request that the grantee explain the discrepancy.</li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
7.	If a formula grant, review the overall subgrant process.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>Complete a general review of the subgrant process and check to see whether the process for subgrantee reporting is acceptable, whether adequate subgrantee administrative and financial monitoring is taking place, etc.</li> </ul>					

**D. Administrative – Award File Review**

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
8.	While on-site, review the award file and check for: <ul style="list-style-type: none"> <li>Signed award document; and</li> <li>Correspondence with OJP grant manager.</li> </ul>				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>Verify whether complete file is being maintained and all information is current.</li> <li>Address any concerns identified during desk review.</li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
9.	Confirm that services/activities described in progress reports have been provided and/or completed.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>Check that grantees are performing the services/activities as stated in their grant applications and progress reports.</li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
10.	Review compliance with confidentiality requirements, if applicable.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<p>Check that the on-site file contains:</p> <ul style="list-style-type: none"> <li>• Privacy Certificate,</li> <li>• Copies of changes to the Privacy Certificate, if applicable, and</li> <li>• Documentation of any changes in the research protocols that may affect the confidentiality and/or the security of the research and statistical information collected as part of the project, if applicable</li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
11.	Review compliance with human subjects protection requirements, if applicable.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<p>Check that the on-site file includes one of the following:</p> <ul style="list-style-type: none"> <li>• Certification from an IRB or from the OJP Office of the General Counsel that the project does not constitute research or involve human subjects,</li> <li>• Certification from an IRB or from the OJP Office of the General Counsel that the project is exempt from IRB review and approval, and/or</li> <li>• Certification that the project has been reviewed and approved by an IRB.</li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
12.	Confirm whether property information is being maintained, if applicable.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>• Involves review of records to make sure grantees are maintaining inventory of property used as part of the grant.</li> <li>• If inventory observed, please provide comments regarding your observations.</li> </ul>					



	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
13.	Determine if any subcontractor/subgrantee monitoring is being performed by grantee, if applicable, and that the grantee monitors its subgrantee for compliance with the conditions of the subgrant award.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>• If the grantee passes funds on to another organization, is it clear that it subgrants these funds?</li> <li>• Check that grantee is monitoring its subgrantee(s) <ul style="list-style-type: none"> <li>◦ Grant managers should review evidence, such as a sub-grantee site visit monitoring reports or completed checklists, to verify that site visits are occurring as scheduled.</li> </ul> </li> <li>• Do written procedures exist regarding subgrantee monitoring? <ul style="list-style-type: none"> <li>◦ Is a process in place for onsite monitoring by the grantee reporting the data (many formula programs can retain a portion of these awards for oversight<sup>1</sup>)?</li> <li>◦ Does the grantee monitoring checklist satisfy the administrative, financial and programmatic elements (grantee should ask questions similar to OJP monitoring checklist at subgrantee site visit)?</li> </ul> </li> <li>• Is subgrantee meeting terms and conditions of award?</li> <li>• Standard filing—evidence of follow-up? <ul style="list-style-type: none"> <li>◦ Does the grantee document site visit findings in a report?</li> <li>◦ Does the grantee have a process for following up on issues, if applicable?</li> </ul> </li> <li>• Check if any of the subrecipients are debarred or suspended from participation in Federal assistance programs.</li> <li>• Check that grantees know when and where to report issues with subgrantees to OJP.</li> <li>• Additionally, grant managers should review the following documents on subcontractors/subgrantees when examining subcontractor/subgrantee monitoring: <ul style="list-style-type: none"> <li>◦ financial reports, progress reports, and drawdown activity,</li> <li>◦ budgets,</li> <li>◦ documentation that prime recipients are verifying that subrecipients have met the necessary audit requirements contained in the Financial Guide (see Part III, Chapter 19. Audit Requirements),</li> <li>◦ For Recovery Act grants, check award documents for the Recovery Act requirements.</li> </ul> </li> </ul>					

<sup>1</sup> "A Guide to Grant Oversight and Best Practices for Combating Grant Fraud" National Procurement Fraud Task Force, February 2009

**E. Administrative – Personnel Review**

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
14.	Observe grant activities/services to verify whether key personnel are actually performing the duties originally proposed, if applicable (e.g. key personnel are identified in the grant application).				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>Through discussion, observations, and review of documentation, verify that key personnel identified in the project are actually working on the project and that any changes have been approved.</li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
15.	Review personnel timesheets to ensure that charges related to staffing are in line with the proposed budget.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>• Determine if employees in positions funded by grant funds are required to submit time sheets. If so, review timesheets to determine if               <ul style="list-style-type: none"> <li>○ Actual hours worked are recorded on the timesheet, and/or</li> <li>○ Time sheets reflect distribution of employee activity between projects (or grants).</li> <li>○ Personnel charges are in line with what was proposed in the original budget and application;</li> <li>○ Charges exceed the total number of hours for a given pay period (if so, determine if overtime is properly recorded); and</li> <li>○ Timesheets have been signed (either in writing or electronically) by the employee and a supervisor.</li> </ul> </li> <li>• Grant managers should contact OCFO to address any identified issues or questions related to time sheets and personnel expenditures, as necessary</li> </ul>					

**F. Programmatic Review**

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
16.	Did the grant manager visit grant funded project site where one or more activity/deliverable is performed?				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>The site of the grant-funded project is the site where the program or activity funded by the grant is taking place.</li> <li>If multiple sites are funded under the same grant, take note of the total number of sites that were visited (to be documented in the site visit report).</li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
17.	Review proposed project goals, activities and services vs. actual activities and services (e.g. time task plan).				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					

- Through discussion and review of documentation, review how objectives are being implemented and compare to what had been planned. Follow up on any concerns identified during the desk review.
- Does progress reflect goals outlined in the original or continuing grant application?
- Review issues from prior visit, if any, or additional issues that require resolution.

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
18.	Assess deliverables through observing grant activities/services, if applicable.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>• Assess whether stated project deliverables are being produced in a quality and timely manner</li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
19.	Did you observe or were you made aware of any changes in grantee activities?				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					

<b>GUIDANCE</b>
<ul style="list-style-type: none"> <li>Assess whether changes in activities are unallowable or if they require appropriate approvals, and request appropriate action or justification/documentation where necessary.</li> </ul>

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
20.	Verify that reported performance measurement data is valid, and is being collected appropriately.				

<b>COMMENTS AND/OR ACTION ITEMS</b>

<b>ISSUES FOR RESOLUTION</b>

<b>GUIDANCE</b>
<p>To verify that quarterly performance measures are valid, grant managers should do the following:</p> <ul style="list-style-type: none"> <li>View aggregate performance measurement data at regular intervals and determine if there are any glaring reasons for concern, such as possible over-reporting, under-reporting, spikes in reporting, or lack of progress reported. In such instances, request justification from grantee.</li> <li>Discuss all performance measures with grantee to ensure that the grantee has a clear understanding of how they are defined.</li> <li>Verify that grantee has linked its activities to established goals.</li> <li>Confirm whether the data are used to guide program determinations.</li> <li>Check that grantee has an adequate method for collecting performance measurement data. Adequacy can be assessed by checking to see that consistent procedures are used, whether they are based on a proven model, and whether safeguards are in place to protect performance data integrity.             <ul style="list-style-type: none"> <li>Verify that the grantee maintains sufficient records to substantiate performance data that are reported.</li> <li>Identify whether or not an independent party is testing data collection and reporting processes, and if so, the method used.</li> <li>For grantees with subawards, is there a process in place for on-site monitoring by the primary grantee reporting the data? (Grantee would ask questions similar to those above while at subaward site.)</li> </ul> </li> </ul>

**G. Grant Administration**

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
21.	As a result of your observations or discussions with grantees regarding grant activities/services, describe promising practices, if any.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>Briefly describe any programs, initiatives, or activities considered to be successful models for others to follow.</li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
22.	Note whether the grantee raised any issues during the site visit.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>Briefly list any issues raised by the grantee or discovered in your on-site review that may require action on the part of the grantee as well as any related action items or comments, if applicable.</li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
23.	Before the site visit, the grant manager should review the High Risk list on the OJP portal to determine if the grantee to be site visited is on the list. Grantees are designated as "High-Risk" by OAAM in accordance with criteria established in 28 CFR § 66.12, OJP Order 2900.2, and the Grant Managers Manual, Chapter 10. If the grantee was designated on the OJP High Risk grantee list, document any steps that are taken to help the grantee resolve those known issues.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>• Request a copy of the designation letter and any available documentation regarding outstanding audits for the grantee from OAAM. This step will help the grant manager determine which issues may be appropriate to discuss with the grantee during the site visit.</li> <li>• In addition to anything in the designation letter, please ensure that the following items are discussed with the grantee and: <ul style="list-style-type: none"> <li>□ Any actions that are planned or in progress to resolve withholding or non-withholding special conditions;</li> <li>□ Any impediments to completing the remediation plan or planned activities; and/or,</li> <li>□ Any risks to successful project implementation and performance related to the issue that caused the grantee to be placed on the High Risk list</li> </ul> </li> <li>• After the site visit, document any issues in the site visit report and refer any outstanding questions to the appropriate OJP designee.</li> </ul>					



Department of Justice  
Grant Monitoring Checklist

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
24.	As a result of your observations or discussions with grantees regarding grant activities/services, note whether the grantee experienced any roadblocks to grant implementation.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>Briefly list any roadblocks encountered as well as any related action items, if applicable.</li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
25.	Describe any training or technical assistance (TTA) currently in progress, provided, or requested. Document if any TA needs arise while on-site.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>▪ Briefly describe any financial-related, administrative, and/or programmatic TTA provided to or requested by the grantee during the site visit. <ul style="list-style-type: none"> <li>○ This includes, but is not limited to, assisting the grantee in properly completing financial status reports, requesting grant funds, or answering questions related to the award file or administrative personnel review</li> </ul> </li> <li>▪ Follow-up on any TTA needs determined during pre-site visit reviews or correspondence/conversations with the grantee.</li> <li>▪ Briefly describe any TTA provided to the grantee previously. <ul style="list-style-type: none"> <li>○ What did the grantee indicate as TTA pros and cons?</li> <li>○ Was the grant manager able to work with the grantee to resolve any problems with past TTA?</li> </ul> </li> <li>▪ Briefly review sustainability plans with the grantee and identify if any training or other capacity enhancement or technical assistance would be appropriate. To determine if a grantee might benefit from TTA related to sustainability issues, determine: <ul style="list-style-type: none"> <li>○ Will the activities/services/purchases performed using these grant funds continue after OJP funding has ceased?</li> <li>○ If additional employees were hired, will the grantee continue to fund these positions after OJP funding has ceased? If so, how?</li> <li>○ If new programs have been implemented, how will these programs be funded after OJP funding has ceased?</li> </ul> </li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
26.	Thoroughly review the grantee's financial, administrative and programmatic compliance to detect any potential indicators of fraud, waste, and abuse. If fraud, waste or abuse is suspected, follow OJP reporting guidance.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<p>In addition to the items in this checklist, the following activities may help to detect and/or prevent grant fraud:</p> <ul style="list-style-type: none"> <li>• Determine if consultants are involved in a grant program; if so, get the details &amp; ensure the process is fair &amp; reasonable; is \$450 a day justified?</li> <li>• Ensure that the grantee has read the Conflict of Interest definition in Chapter 3 of the OJP Financial Guide.</li> <li>• Discuss the procurement process with the grantee, including sole source contracts.</li> <li>• Explain that grantees must support their draw-downs or FSRs with evidence (general ledgers, receipts, or time sheets).</li> <li>• Discuss indirect cost rates and reporting income generated by grant activities.</li> <li>• Inquire about grantee's internal controls/segregation of duties – recommend or mandate a fiscal agent and/or financial management training.</li> <li>• Follow up with unresponsive or noncompliant grantees as soon as possible.</li> <li>• Question generic or nebulous reports submitted by grantees.</li> </ul> <p>Grant managers should communicate any concern to their supervisors and as appropriate to OCFO, OAAM, or OGC or directly to the OIG's Fraud Detection Office, <a href="http://www.usdoj.gov/oig/">http://www.usdoj.gov/oig/</a>. Additional information on grant fraud prevention and detection can be found in the Guide to Grant Oversight and Best Practices for Combating Grant Fraud issued by the National Procurement Fraud Task Force, Grant Fraud Committee, located at <a href="http://www.usdoj.gov/oig/special/s0902a/final.pdf">http://www.usdoj.gov/oig/special/s0902a/final.pdf</a>.</p>					

**H. Exit Interview**

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
27.	Complete exit interview.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<p>The purpose of the exit interview is to:</p> <ul style="list-style-type: none"> <li>• Summarize results of the monitoring visit,</li> <li>• Inform grantee of any potential issues for resolution, and</li> <li>• Solicit initial feedback from grantee about the site visit.</li> </ul>					

**I. Other Items**

**NOTE:** If you have any additional general items not already listed on this checklist to report with comments, action items or issues for resolution, please complete the following sections. If you have no additional items, please leave this section blank.

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
28.					
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
29.					
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
30.					
COMMENTS AND/OR ACTION ITEMS					
ISSUES FOR RESOLUTION					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
31.					
COMMENTS AND/OR ACTION ITEMS					
ISSUES FOR RESOLUTION					

## APPENDIX VIII

# OJP's Recovery Act Site Visit Checklist and Desk Review Addendum

### Office of Justice Program's (OJP) American Recovery and Reinvestment Act (Recovery Act) Site Visit Checklist and Desk Review Addendum (Revised March 2010)

The American Recovery and Reinvestment Act (Recovery Act) and accompanying Office of Management and Budget (OMB) guidance outlines management and reporting requirements for Recovery Act grant funds. Although many of these requirements are met through OJP's standard monitoring activities, there are some areas requiring an increased emphasis or the development of new guidance.

The following addendum applies to both desk reviews and on-site monitoring reviews, and outlines these new requirements of the Recovery Act and associated OMB guidance. Grant managers should pay particular attention to these items in addition to those required for standard desk reviews and on-site monitoring when reviewing Recovery Act grants.

**Unless activities detailed in this addendum are identified as applicable only to on-site monitoring, they should be completed for both desk reviews and on-site monitoring visits. Additionally, please note that this addendum is not a substitute for the standard site visit checklist or desk review activities outlined in the Grant Manager's Manual (GMM).**

The following review elements are included in the standard Site Visit Checklist, but require increased attention for Recovery Act grants:

- Commingling of Funds (Site Visit Checklist Item 4)
  - Additional items to check while on-site:
    - New codes for Recovery Act funded programs and Recovery Act transactions (e.g., ARRA-BJA; ARRA-OVW-STOP; ARRA COPS).
    - Separate tracking of hours for a position funded partially with Recovery Act dollars.
- Subgrantee Monitoring (Site Visit Checklist Items 7 and 13)
  - Additional items to check while on-site:
    - Verify that subgrantee award documents or subcontracts include Recovery Act requirements such as: CCR registration; Buy American, if applicable; and Wage Rate, if applicable.

**This addendum must be completed and uploaded to GMS for site visits and desk reviews of Recovery Act grants.** To upload to GMS:

1. Log onto GMS and click the "Grant Monitoring" tab.
2. Click "Grant Monitoring File" from the menu on the left side of the screen.
3. Select the grant from the list, or use the search function to locate the grant.
4. Attach the completed Addendum following the appropriate steps for a desk review or site visit.
  - For site visits:
    - Select "Attachments" from the menu to the left of the screen.
    - Upload the completed addendum to this location.
  - For desk reviews:
    - Select "Desk Reviews" from the menu to left of the screen.
    - Select the appropriate "Desk Review ID" from the menu, or create a new desk review and enter the date on which the desk review was completed.
    - Upload the completed addendum under "Supporting Documents."

#### Grant Information

<b>Type of Review</b>	<input type="checkbox"/> <b>Desk Review</b> <input type="checkbox"/> <b>Site Visit</b>
<b>Grantee Organization(s):</b>	<b>Grant Number(s):</b>
<b>Date of Desk Review/ Site Visit Start and End Dates:</b>	<b>Desk Review/Site Visit ID Number:</b>

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
A1.	Check that the grantee and subgrantees have complied with Recovery Act reporting requirements under Section 1512 of the Recovery Act.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>• Recovery Act section 1512(c) provides: (c) Recipient Reports- Not later than 10 days after the end of each calendar quarter, each recipient that received recovery funds from a Federal agency shall submit a report at <a href="http://www.FederalReporting.gov">www.FederalReporting.gov</a></li> <li>• Prior to the site visit and during a desk review, determine whether the grantee has submitted quarterly reports on the use of funds (in accordance with the reporting requirements and data elements at <a href="http://federalreporting.gov">http://federalreporting.gov</a>) listed above no later than ten calendar days after each calendar quarter.</li> <li>• <b>What to look for in a Section 1512 (c) Report:</b> <ul style="list-style-type: none"> <li>▪ Verify that award number reported by the grantee matches the GMS grant number.</li> <li>▪ Verify that the award date matches the award document.</li> <li>▪ Verify that the recipient is reporting cumulative data as directed in the Recovery Act, except for the jobs data which should be reported quarterly rather than cumulatively.</li> <li>▪ Project Status is proportionate to the number of months a project has been operating and/or the activity stated in the progress reports.</li> </ul> </li> </ul>					



- Project Name/Title matches the project name on the award document.
  - Award Description reflects the goals and objectives in the application.
  - Activity Codes accurately describe the project. A list of recommended Activity Codes can be found in the document entitled *Activity Codes and CFDA Numbers* posted on the OJP Recovery Act Recipient Reporting web page, <http://www.ojp.gov/recovery/pdfs/actcodecfदानumbers.pdf>
  - CFDA number is accurate. CFDA codes can be found in the document identified above.
  - Infrastructure data fields accurately reflect the project, if applicable.
  - Expenditures proportionate to the number of months a project has been operating.
  - Expenditures proportionate to the total Federal funds received/invoiced.
  - Estimated job number is calculated using the methodology in the *Updated Information Calculating and Reporting Job Creation and Retention for Recipients of Recovery Act Funding from Office of Justice Programs, Office on Violence Against Women, and Office of Community Oriented Policing Services* document posted on the OJP Recovery Act Recipient Reporting web page, [http://www.ojp.gov/recovery/pdfs/calculating\\_and\\_reporting\\_job\\_creation\\_and\\_retention.pdf](http://www.ojp.gov/recovery/pdfs/calculating_and_reporting_job_creation_and_retention.pdf)
  - Estimated job number appears reasonable and consistent with other project-related data, including Personnel and Contractor (for on-site contractors) categories of the OCFO approved budget worksheet and narrative, description of activities performed in progress reports, expenditures and outlays reported in financial reports, and information gathered during substantial communication.
  - Jobs data should be consistent:
    - Between the "Number" and "Description of jobs created" fields—the numbers should match.
    - With the reported activities of the grant—a major construction project should report jobs in line with that sort of effort.
    - With the grant award amount—high dollar projects should generally have larger numbers of jobs and vice versa.
    - Additional considerations:
      - Grantees must report all jobs funded by Recovery Act funding—whether created, retained, or existing.
      - Overtime, paid leave, and all other compensated time should be included in the job calculation.
      - Jobs must be calculated using the OMB calculation, reported as FTIEs, and should have evidence the jobs were calculated appropriately.
      - Prime recipient grantees must report jobs for all subrecipients.
      - Grantees should use the DOJ job categories (Admin/HR, Law enforcement, etc.) to describe their reported jobs.
      - On-site contract workers are to be included in the reported jobs.
      - Indirect jobs resulting from purchases, etc. are not to be reported
      - The number of subgrantees matches their application and/or program requirements, if applicable.
  - Are any existing inaccuracies in reported data still posted?
    - What steps (if any) have been taken to remedy the inaccurate data?
  - If reports were late, what was the cause?
    - What steps (if any) have been taken to remedy the late reporting?
  - If the grantee has delegated responsibility for reporting to one or more first-tier subgrantees:
    - Is the delegation documented?
    - Are subgrantees with delegated responsibility complying with the above guidance?
    - Note: Responsibility for reporting on job creation cannot be delegated.
- In addition to the items above, the following should be addressed as part of an on-site monitoring visit:**
- Identify whether an automated or manual system is used for data collection. Is the method or process for collecting data centralized, organized, and consistent?

- Did the grantee experience any difficulty in reporting actuals because of the reporting timeframe?
- Does the grantee anticipate needing to update prior reports or use estimated data (for elements other than job creation data) in the future?
- When on-site, review and verify documentation supporting all reported data. Documents reviewed should provide evidence that
  - Created/retained/existing positions and overtime hours are funded by Recovery Act awards.
  - Recipients are reporting only the hours worked in the current reporting period.
- Recommended documentation to review:
  - **Created Jobs:** Per OMB M-10-08, "a job created is a new position created and filled, or an existing unfilled position that is filled, that is funded by the Recovery Act." Grant managers should review:
    - Old and new organizational charts
    - Staffing lists
    - Timecards and payroll records
  - **Retained Jobs:** Per OMB M-10-08, "a job retained is an existing position that is now funded by the Recovery Act." Grant managers should review:
    - Minutes of formal meetings where official budget decisions are made
    - Timecards and payroll records for hours funded by the Recovery Act
    - Employee activity reports
  - **Overtime**
    - Timecards and payroll records for hours funded by the Recovery Act
    - Employee activity reports

\*For additional guidance on recipient reporting please go to the OJP Recovery Act Website <http://www.ojp.gov/recovery>

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
A2.	Determine whether the grant program(s) being monitored prohibit supplanting.				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>• <b>Supplanting: General Definition.</b> For a State or unit of local government to reduce State or local funds for an activity specifically because federal funds are available (or expected to be available) to fund that same activity. When supplanting is not permitted, federal funds must be used to <b>supplement</b> existing State or local funds for program activities and may not replace State or local funds that have been appropriated or allocated for the same purpose. Additionally, federal funding may not replace State or local funding that is required by law. In those instances where a question of supplanting arises, the applicant or grantee will be required to substantiate that the reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds</li> <li>• The following programs prohibit supplanting: <ul style="list-style-type: none"> <li>○ Recovery Act: Edward Byrne Memorial Justice Assistance Grant (JAG) Formula Program: State Solicitation</li> <li>○ Recovery Act: Edward Byrne Memorial Justice Assistance Grant (JAG) Formula Program: Local Solicitation</li> <li>○ Recovery Act: Correctional Facilities on Tribal Lands Program</li> <li>○ Recovery Act: OVC FY09 VOCA Victim Assistance Formula Grant Program</li> <li>○ Recovery Act: OVC FY09 VOCA Victim Compensation Formula Grant Program</li> <li>○ Recovery Act: National Field-Generated Training, Technical Assistance, and Demonstration Projects ("VOCA discretionary grants")</li> <li>○ Recovery Act: Tribal Crime Data Collection, Analysis and Estimation Project</li> </ul> </li> <li>• Due to the difficult nature of determining whether supplanting has taken place, the grant manager should contact the Office of the Chief Financial Officer if they suspect supplanting in any of the above programs.</li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
A3.	Check Special Condition – Limit on Funds (Section 1604)				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>• Section 1604 of the Recovery Act provides: None of the funds appropriated or otherwise made available in this Act may be used by any State or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.</li> <li>• Prior to a site visit and during a desk review, examine progress reports, financial reports, etc, for any indication that funds have not been directly used for construction costs or support of the establishments listed above. <ul style="list-style-type: none"> <li>○ Below are scenarios involving "support" of these establishments: <ul style="list-style-type: none"> <li>• A mentoring program plans to take a group of youths to spend the day at a community pool. The program may pay for transportation to and from the pool using Recovery Act funding, but may not pay any pool entrance fees.</li> <li>• A conference is being held at a hotel containing a casino. Each guest receives \$10 in complementary gaming chips for staying at the hotel. In this scenario the value of the chips must be deducted from any reimbursement for the room using Recovery Act funding (ex: if the room cost was \$200 for the length of the conference, \$190 could be paid for using Recovery Act funding).</li> <li>• A conference is being held at a hotel containing a pool. Use of the pool is included in the room rate for the hotel. In this case there is no restriction on the use of Recovery Act funds, since there is not a separate usage fee for the pool.</li> <li>• A state has been awarded Recovery Act funds through the Byrne Justice Assistance Grant (JAG) Program, and wants to use a portion of the funds to install surveillance cameras at a local golf course to discourage and prevent vandalism. This equipment would aid in providing security for the golf course, and as such is prohibited under the Recovery Act.</li> <li>• A state has been awarded Recovery Act funds through the Byrne JAG Program that has been used to supplement overtime pay for police officers. On the night of a large boxing match at a casino, additional</li> </ul> </li> </ul> </li> </ul>					

officers are requested to provide security. The overtime paid to any officers working this event must not be paid using Recovery Act funds since it is being held at a casino.

**In addition to the items above, the following should be addressed as part of an on-site monitoring visit:**

- If there are any concerns that arise while on-site based on initial questions, the grant manager should request lists of expenditures for the project in question and/or contact his or her supervisor.
- Recommended documentation to review:
  - Progress reports,
  - Financial reports
  - Receipts
  - Project summaries
  - Conference agendas and/or brochures

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
A4.	Check Special Condition - Infrastructure Investment (Section 1511)Special Condition - Preference for Quick Start Activities (Section 1602)				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>• Section 1511 of the Recovery Act provides: With respect to covered funds made available to State or local governments for infrastructure investments, the Governor, mayor, or other chief executive, as appropriate, shall certify that the infrastructure investment has received the full review and vetting required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. Such certification shall include a description of the investment, the estimated total cost, and the amount of covered funds to be used, and shall be posted on a website and linked to the website established by section 1526. A State or local agency may not receive infrastructure investment funding from funds made available in this Act unless this certification is made and posted.</li> <li>• Section 1602 of the Recovery Act provides: In using funds made available in this Act for infrastructure investment, recipients shall give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 days after the date of the enactment of this Act. Recipients shall also use grant funds in a manner that maximizes job creation and economic benefit.</li> <li>• As a general guideline, DOJ defines infrastructure as project requiring "bricks and mortar," that is, projects resulting in, or directly and substantially affecting, a tangible physical structure; or other similar construction, repair, or major renovation projects. <ul style="list-style-type: none"> <li>○ Projects that require review under applicable environmental laws (e.g., NEPA) are likely to be considered infrastructure.</li> <li>○ Infrastructure examples include: <ul style="list-style-type: none"> <li>▪ building or renovating a correctional facility,</li> <li>▪ building a road,</li> <li>▪ modifying the exterior of a building, and</li> </ul> </li> </ul> </li> </ul>					

- modifying the purpose of a building through major renovation
  - Has the grantee submitted a certification for any infrastructure investments?
  - Did the grantee use 50% of the funds for activities that were initiated for infrastructure no later than 120 days after the date of the enactment of the Recovery Act (June 13, 2009)?
- In addition to the items above, the following should be addressed as part of an on-site monitoring visit:**
- Can the grantee certify that preference for infrastructure investment projects has been given to activities that can be started and completed expeditiously, and have used award funds in a manner that maximizes job creation and economic benefits?
  - Recommended documentation to review:
    - Infrastructure certification
    - Project schedules for infrastructure projects

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
A5.	Check Special Condition - Buy American Act (Section 1605)				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<p><b>Activities associated with this guidance apply only to on-site monitoring visits.</b></p> <ul style="list-style-type: none"> <li>• Section 1605 of the Recovery Act provides: <ul style="list-style-type: none"> <li>Use of American Iron, Steel, and Manufactured Goods. (a) None of the funds appropriated or otherwise made available by this Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States. <ul style="list-style-type: none"> <li>○ Public work is defined in 2 CFR 176.140</li> </ul> </li> </ul> </li> <li>• DOJ may approve a waiver to the Buy American provision for the following reasons: <ul style="list-style-type: none"> <li>○ Non-availability <ul style="list-style-type: none"> <li>▪ Iron, steel, or relevant manufactured goods not produced or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality, or</li> </ul> </li> <li>○ Unreasonable cost <ul style="list-style-type: none"> <li>▪ Cost of domestic iron, steel, or relevant manufactured goods will increase the cost of the overall project by more than 25 percent.</li> </ul> </li> <li>○ Inconsistent with public interest <ul style="list-style-type: none"> <li>▪ Application of the restrictions of Section 1605 of the Recovery Act would be inconsistent with public interest</li> </ul> </li> </ul> </li> <li>• When a waiver is submitted, the Office of General Counsel (OGC) will make determinations for Buy American. <ul style="list-style-type: none"> <li>○ Forward all waiver requests to OGC as soon as the request is submitted.</li> <li>○ If a waiver request is approved, DOJ will publish a detailed, written justification as to why the provision is being waived in the Federal Register.</li> </ul> </li> <li>• Any questions related to the Buy American Act should be forwarded to OGC.</li> </ul>					



	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
A6.	Check Special Condition - Wage Requirements (Section 1606)				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>• Section 1606 of the Recovery Act provides: Notwithstanding any other provision of law and in a manner consistent with other provisions in this Act, all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code.</li> <li>• Has the grantee included the standard Davis-Bacon contract clauses (found in 29 CFR 5.5(a)) in any covered contracts made under this award that are in excess of \$2,000 for construction, alteration or repair (including painting and decorating)? <ul style="list-style-type: none"> <li>○ If the grantee has not included these clauses and this is an on-site monitoring visit, the grant manager should examine <ul style="list-style-type: none"> <li>▪ if the grantee aware of the requirements under Section 1606.</li> <li>▪ if the grantee can certify that it has reviewed its contacts to ensure that all laborers and mechanics employed by contractors and subcontractors on projects funded fully or partially by Recovery Act funds paid wages at rates not less than those prevailing on projects of a character similar in the locality.</li> </ul> </li> </ul> </li> </ul> <p><b>In addition to the items above, the following should be addressed as part of an on-site monitoring visit:</b></p> <ul style="list-style-type: none"> <li>• Recommended documentation to review <ul style="list-style-type: none"> <li>○ Job postings</li> <li>○ Offer letters</li> <li>○ Timecards</li> <li>○ Payroll records</li> <li>○ Local prevailing wages at Wage Determinations Online (<a href="http://www.wdol.gov/">http://www.wdol.gov/</a>)</li> </ul> </li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
A7.	Check Special Condition - National Environmental Policy Act (Section 1609)				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<p><b>Activities associated with this guidance apply only to on-site monitoring visits.</b></p> <ul style="list-style-type: none"> <li>• Section 1609 of the Recovery Act provides: <ul style="list-style-type: none"> <li>○ The National Environmental Policy Act (NEPA) protects public health, safety, and environmental quality by ensuring the transparency, accountability, and public involvement in federal actions and in the use of public funds;</li> <li>○ The NEPA helps to provide an orderly process for considering federal action and funding decisions, and prevents litigation and delay that would otherwise be inevitable and existed prior to the establishment of the NEPA;</li> <li>○ Adequate resources within this bill must be devoted to ensuring that applicable environmental reviews under the NEPA are completed on an expeditious basis, and that the shortest existing applicable process under NEPA shall be utilized.</li> </ul> </li> <li>• If OJP funds will be used for major renovation projects or any new construction, or programs involving the use of chemicals or any other activity, including research and technology development, that may have an effect on the environment, grant managers should ensure: <ul style="list-style-type: none"> <li>○ that the funding recipient provides a full description of proposed project activities to OJP, and an Environmental Assessment (EA) is prepared, and</li> <li>○ prior to allowing a recipient to spend OJP funds for such a project, OJP must make a finding that the project does not significantly affect the environment, and that further environmental analysis is not necessary.</li> </ul> </li> <li>• Recommended documentation to review <ul style="list-style-type: none"> <li>○ Proposed project description in the grant application,</li> <li>○ Environmental Assessment, and/or</li> <li>○ Additional documentation on environmental assessments, impact analyses, etc.</li> </ul> </li> </ul>					

	ITEM	COMPLETED			COMPLETED BY
		YES	NO	N/A	
A8.	Justice Assistance Grant (JAG) Special Condition - Trust Fund				
<b>COMMENTS AND/OR ACTION ITEMS</b>					
<b>ISSUES FOR RESOLUTION</b>					
<b>GUIDANCE</b>					
<ul style="list-style-type: none"> <li>• Did the grantee establish a trust fund account?</li> <li>• Is the principle of funds being maintained, i.e. are JAG funds only being applied towards prior approved costs and/or activities?</li> </ul>					

## APPENDIX IX

### Office of the Associate Attorney General's Response to the Draft Audit Report



U.S. Department of Justice

Office of the Associate Attorney General

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Washington, D.C. 20530

March 4, 2011

MEMORANDUM TO: Cynthia A. Schnedar  
Acting Inspector General  
United States Department of Justice

THROUGH: Raymond J. Beaudet  
Assistant Inspector General for Audit  
Office of the Inspector General  
United States Department of Justice

FROM: Thomas J. Perrelli **TP**  
Associate Attorney General

SUBJECT: Response to the Office of the Inspector General's Draft Audit  
Report, *Office of Justice Programs' Monitoring and  
Oversight of Recovery Act and Non-Recovery Act Grants*

This memorandum provides a response to the Office of the Inspector General's (OIG's) February 10, 2011 draft audit report, entitled *Office of Justice Programs' Monitoring and Oversight of Recovery Act and Non-Recovery Act Grants*.

The Office of the Associate Attorney General has reviewed the draft audit report and concurs with Recommendation 1 cited by the OIG. The Office of the Associate Attorney General will continue to pursue efforts to standardize the oversight services provided by OJP to the Office on Violence Against Women and the COPS Office.

As you are aware, the Office of Associate Attorney General meets bi-weekly with the grant-making components to address various grant-making issues. In 2011, we are focused on developing a Department-wide, on-line financial training tool for Department of Justice grantees, in partnership with the OIG. We will also work on developing internal training for the Department-wide High Risk Grantee Designation Program.

Thank you for your continued support and assistance. If you have any questions regarding this response, please contact Karol V. Mason, Deputy Associate Attorney General, at 202-514-0624.

cc: Karol V. Mason  
Deputy Associate Attorney General  
Office of the Associate Attorney General

Laurie O. Robinson  
Assistant Attorney General  
Office of Justice Programs

Mary Lou Leary  
Principal Deputy Assistant Attorney General, OJP

Phillip K. Merkle  
Acting Deputy Assistant Attorney General  
for Operations and Management, OJP

Maureen A. Henneberg  
Director  
Office of Audit, Assessment, and Management, OJP

Leigh Benda  
Chief Financial Officer, OJP

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

Richard A. Theis  
Assistant Director, Audit Liaison Group  
Justice Management Division

OJP's Response to the Draft Audit Report



U.S. Department of Justice


Office of Justice Programs

Washington, D.C. 20531

MAR 03 2011

MEMORANDUM TO: Cynthia A. Schnedar  
Acting Inspector General  
United States Department of Justice

THROUGH: Raymond J. Beaudet  
Assistant Inspector General for Audit  
Office of the Inspector General  
United States Department of Justice

FROM: Laurie O. Robinson   
Assistant Attorney General

SUBJECT: Response to the Office of the Inspector General's Draft Audit Report, *Office of Justice Programs' Monitoring and Oversight of Recovery Act and Non-Recovery Act Grants*

This memorandum provides a response to the Office of the Inspector General's (OIG's) February 10, 2011 draft audit report, entitled *Office of Justice Programs' Monitoring and Oversight of Recovery Act and Non-Recovery Act Grants*.

The Office of Justice Programs (OJP) has reviewed the draft audit report and concurs with all of the recommendations cited by the OIG. Corrective actions for many of these recommendations were initiated prior to the release of this report. OJP has proposed attainable corrective actions in response to each of the recommendations, and is confident that the implementation of these corrective actions will further strengthen OJP's monitoring and oversight of Recovery Act and Non-Recovery Act grants.

The draft audit report contains 13 recommendations and no questioned costs, of which Recommendation Numbers 2-13 pertains to the OJP. For ease of review, these recommendations are restated in bold and are followed by OJP's response.

2. **We recommend that OJP update the OJP Program-Specific Plan for Management of Recovery Act Funds to ensure that all Recovery Act funding is identified in the plan and that the funding identified in the plan ties to the funding identified in the Department of Justice's Agency Plan for Management of Recovery Act Funds.**

The Office of Justice Programs agrees with the recommendation. OJP will revise the OJP Program-Specific Plan for Management of Recovery Act Funds to ensure that all Recovery Act funding is identified in the plan, and that OJP funding ties to the funding identified in the Department of Justice's (DOJ's) Agency Plan. OJP will provide its proposed revisions to DOJ and the Office of Management and Budget for approval by April 30, 2011, with expected release of the update on June 1, 2011.

3. **We recommend that OJP revise OAAM's Post-Award Performance and Risk Management Plan to include reference to the Office on Violence Against Women's comparable plan.**

The Office of Justice Programs agrees with the recommendation. OJP's Office of Audit, Assessment, and Management (OAAM) will revise its Post-Award Performance and Risk Management Plan to include reference to the Office on Violence Against Women's comparable plan by March 31, 2011.

4. **We recommend that OJP consider removing as much of the subjectivity as possible from the site visit report rating system by defining what percentage scores are needed to make the report a quality report.**
5. **We recommend that OJP revise OAAM's system for rating site visit reports to ensure more consistent and understandable ratings.**
6. **We recommend that OJP revise the guidelines for OAAM's Site Visit Report Quality Review Process to explain what actions OAAM will take to address the deficiencies in each report reviewed, as well as the actions that OAAM will take to minimize such deficiencies system-wide for future site visit reports.**
7. **We recommend that OJP revise the guidelines for OAAM's Site Visit Report Quality Review Process to require that program office and bureau grant managers support their site visit findings by the completed Standard Site Visit Checklist and the Recovery Act Site Visit Checklist and Desk Review Addendum, as applicable.**

The Office of Justice Programs agrees with Recommendations 4-7, which relate to OAAM's quality review process for site visit reports. In January 2010, OAAM developed a draft fiscal year (FY) 2009 Site Visit Report Quality Review Process, and requested that the OIG review and provide feedback to OAAM on this document. In turn, OAAM concurrently piloted the FY 2009 Site Visit Report Quality Review Process and found that grant managers typically did not maintain adequate documentation to support the work completed during on-site monitoring, and written narratives included in the site visit reports were often incomplete.

Consistent with the feedback it received from the OIG, OAAM determined that these exceptions were partially due to the lack of an OJP requirement to maintain the Standard Site Visit Checklist as support for conclusions made during the site visit. In April 2010, OAAM revised the instructions for the FY 2010 Standard Site Visit Checklist to require OJP grant managers to maintain and upload the checklist to OJP's Grants Management System (GMS), as documentation to support the site visit findings.

OAAM is currently working with the DOJ Monitoring Working Group to make further revisions to the Standard Site Visit Checklist. Once these revisions are completed, OAAM will revise the Site Visit Report Quality Review Process to address the following OIG suggestions: removing as much subjectivity as possible to the site visit report rating system by incorporating percentage scores; modifying the rating system to ensure consistent and understandable ratings; determining what actions OAAM will take to address identified deficiencies in each site visit report, and how it will minimize systemic deficiencies in future site visit reports; and ensuring that OAAM's guidelines reflect requirements that findings identified during site visits are adequately supported by completed checklists and additional documentation. OAAM expects to have the Site Visit Report Quality Review Process finalized by September 30, 2011.



8. **We recommend that OJP revise the instructions for the Standard Site Visit Checklist to make it clear that the grant managers are required to maintain documentation to support answers to the checklist questions.**
9. **We recommend that OJP determine the level of documentation that grant managers should produce to: (1) satisfy OAAM that the Standard Site Visit Checklist questions are appropriately answered, and (2) enable OAAM to reproduce the results found by the grant managers. Then, explain in the checklist the level of documentation needed to support each checklist question.**
10. **We recommend that OJP develop clear and specific methodologies for how each step in the Standard Site Visit Checklist should be completed.**
11. **We recommend that OJP revise the Standard Site Visit Checklist instructions to require supervisors to review and verify that the grant managers completed the checklist in accordance with established steps and that the report facts are supported by the checklist.**
12. **We recommend that OJP revise the Standard Site Visit Checklist to contain the key steps that need to be answered and that can be reasonably completed within the limited time available to complete the site visits. In addition, include guidance in the checklist on the expected time frame for completing the on-site monitoring.**

The Office of Justice Programs agrees with Recommendations 8-12, which relate to revisions and improvements to the OJP Standard Site Visit Checklist. In April 2010, OAAM revised the instructions for the FY 2010 Standard Site Visit Checklist to require grant managers to maintain and upload the checklist to GMS, as documentation to support the site visit findings.

As previously indicated, OAAM is working with the DOJ Monitoring Working Group to make further revisions to the Standard Site Visit Checklist, based on the suggestions made in the OIG audit. Once the Standard Site Visit Checklist is finalized, OAAM expects these revisions will include clear guidance on: the level of documentation OJP grant managers will be required to provide in order to support each checklist question; how to complete each question, as well as the suggested documentation to review during the site visit to support the finding; and the requirement for a supervisory review and verification of the checklist, as part of the site visit package approval process.

OAAM will also establish guidance on the expected time frame for completing a site visit with average complexity. OAAM expects to have the revised Standard Site Visit Checklist completed by June 30, 2011. During the fourth quarter of FY 2011, OAAM plans to pre-test the Standard Site Visit Checklist, by involving select OJP grant managers. Upon completion of the pre-testing, OAAM expects to roll-out the revised Standard Site Visit Checklist for FY 2012, by September 30, 2011.

13. **We recommend that OJP ensure that the OCFO's final FY 2011 Financial Monitoring and Technical Assistance Plan clearly describes the methodology used to select the grants for monitoring, and that the OCFO maintains documentation to show that the grants were selected in accordance with the approved methodology.**

The Office of Justice Programs agrees with the recommendation. In December 2010, OJP's Office of the Chief Financial Officer (OCFO) finalized the FY 2011 Financial Monitoring and Technical Assistance Plan (Plan), which includes a detailed description of the methodology used to select DOJ grants for financial monitoring (see Attachment 1). As part of the Plan, the OCFO developed a risk assessment model for DOJ grants, which accumulated scores by grant and grantee, allowing for selection of grantees and grants for financial monitoring based upon overall assessed risk. The risk assessment takes into account various financial and programmatic attributes for each grant. In addition, the OCFO maintains a copy of the source data files used in the risk assessment, as well as a comprehensive database with the scores by attribute, grant, and grantee. This database is also used to track the grantees and grants selected for financial monitoring, and to track the actual financial monitoring results compared to the original plan. The Office of Justice Programs considers this recommendation closed and requests written acceptance of this action from your office.

Thank you for your continued support and assistance. If you have any questions regarding this response, please contact Maureen A. Henneberg, Director, Office of Audit, Assessment, and Management, on (202) 616-3282.

Attachment

cc: Mary Lou Leary  
Principal Deputy Assistant Attorney General

Phillip K. Merkle  
Acting Deputy Assistant Attorney General  
for Operations and Management

Maureen A. Henneberg  
Director  
Office of Audit, Assessment, and Management

Leigh Benda  
Chief Financial Officer

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

cc: Richard A. Theis  
Assistant Director, Audit Liaison Group  
Justice Management Division

Karol V. Mason  
Deputy Associate Attorney General  
Office of the Associate Attorney General

OJP Executive Secretariat  
Control Number 20110172

**Office of the Inspector General Analysis and Summary  
of Actions Necessary to Close the Report**

The Office of the Inspector General (OIG) provided a draft of this audit report to the Office of the Associate Attorney General and the Office of Justice Programs (OJP). The Office of the Associate Attorney General's response is incorporated in Appendix IX of this final report and OJP's response is incorporated in Appendix X. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

**Recommendation Number:**

1. **Resolved.** The Office of the Associate Attorney General concurred with our recommendation to continue to pursue efforts to standardize the oversight services provided by OJP to the Office on Violence Against Women (OVW) and the Office of Community Oriented Policing Services (COPS Office). The Office of the Associate Attorney General stated that it meets bi-weekly with the grant-making components to address various grant-making issues, and in 2011, it is focusing on developing a Department-wide, on-line financial training tool for Department of Justice grantees, in partnership with the OIG. The Office of the Associate Attorney General also stated that it will work on developing internal training for the Department-wide High Risk Grantee Designation Program, and will continue to pursue efforts to standardize the oversight services provided by OJP to the OVW and the COPS Office.

This recommendation can be closed when we receive evidence that the Office of the Associate Attorney General has pursued efforts to standardize oversight services provided by OJP to the OVW and COPS Office.

2. **Resolved.** OJP concurred with our recommendation to update the OJP Program-Specific Plan for Management of Recovery Act Funds to ensure that all Recovery Act funding is identified in the plan and that the funding identified in the plan ties to the funding identified in the Department's Agency Plan for Management of Recovery Act Funds. OJP stated in its response that it will revise its program-specific plan to ensure that all Recovery Act funding is identified in the plan, and that OJP funding ties to the funding identified in the Department's Agency

Plan. OJP plans to provide its proposed revisions to the Department and the Office of Management and Budget for approval by April 30, 2011, with expected release of the approved update on June 1, 2011.

This recommendation can be closed when we receive evidence that OJP revised the OJP Program-Specific Plan for Management of Recovery Act Funds, that all Recovery Act funding is identified in the plan, and that OJP funding ties to the funding identified in the Department's Agency Plan.

3. **Resolved.** OJP concurred with our recommendation to revise the Office of Audit, Assessment, and Management's (OAAM) Post-Award Performance and Risk Management Plan to include reference to the OVW's comparable plan. OJP stated in its response that OAAM will revise its Post-Award Performance and Risk Management Plan to include reference to the OVW's comparable plan by March 31, 2011.

This recommendation can be closed when we receive evidence that OAAM has revised its Post-Award Performance and Risk Management Plan to include reference to the OVW's comparable plan.

4. through 7. **Resolved.** OJP concurred with our recommendations to:
  - Consider removing as much of the subjectivity as possible from the site visit report rating system by defining what percentage scores are needed to make the report a quality report;
  - Revise OAAM's system for rating site visit reports to ensure more consistent and understandable ratings;
  - Revise the guidelines for OAAM's Site Visit Report Quality Review Process to explain what actions OAAM will take to address the deficiencies in each report reviewed, as well as the actions that OAAM will take to minimize such deficiencies system-wide for future site visit reports; and
  - Revise the guidelines for OAAM's Site Visit Report Quality Review Process to require that program office and bureau grant managers support their site visit findings by the completed Standard Site Visit Checklist and the Recovery Act Site Visit Checklist and Desk Review Addendum, as applicable.

OJP stated in its response that OAAM is currently working with the Department's Monitoring Working Group to make further revisions to

the standard site visit checklist. Once these revisions are completed, OAAM plans to revise the Site Visit Report Quality Review Process to: (1) remove as much subjectivity as possible to the site visit report rating system by incorporating percentage scores; (2) modify the rating system to ensure consistent and understandable ratings; (3) determine what actions OAAM will take to address identified deficiencies in each site visit report, and how it will minimize systemic deficiencies in future site visit reports; and (4) ensure that OAAM's guidelines reflect requirements that findings identified during site visits are adequately supported by completed checklists and additional documentation. OAAM expects to have the Site Visit Report Quality Review Process finalized by September 30, 2011.

This recommendation can be closed when we receive evidence that OJP has adequately completed the above stated actions.

8. through 12. **Resolved.** OJP concurred with our recommendations to:

- Revise the instructions for the Standard Site Visit Checklist to make it clear that the grant managers are required to maintain documentation to support answers to the checklist questions;
- Determine the level of documentation that grant managers should produce to: (1) satisfy OAAM that the Standard Site Visit Checklist questions are appropriately answered, and (2) enable OAAM to reproduce the results found by the grant managers; and then explain in the checklist the level of documentation needed to support each checklist question;
- Develop clear and specific methodologies for how each step in the Standard Site Visit Checklist should be completed;
- Revise the Standard Site Visit Checklist instructions to require supervisors to review and verify that the grant managers completed the checklist in accordance with established steps and that the report facts are supported by the checklist; and
- Revise the Standard Site Visit Checklist to contain the key steps that need to be answered and that can be reasonably completed within the limited time available to complete the site visits; and include guidance in the checklist on the expected time frame for completing the on-site monitoring.

OJP stated in its response that OAAM is working with the Department's Monitoring Working Group to make further revisions to the Standard Site Visit Checklist, based on the suggestions made in the OIG audit. OJP stated that once the checklist is finalized, OAAM expects the checklist revisions will include clear guidance on: (1) the level of documentation OJP grant managers will be required to provide in order to support each checklist question; (2) how to complete each question, as well as the suggested documentation to review during the site visit to support the finding; and (3) the requirement for a supervisory review and verification of the checklist, as part of the site visit package approval process. OJP stated that OAAM will also establish guidance on the expected time frame for completing a site visit with average complexity. OAAM expects to have the revised Standard Site Visit Checklist completed by June 30, 2011. During the fourth quarter of FY 2011, OAAM plans to pre-test the Standard Site Visit Checklist by involving select OJP grant managers. Upon completion of the pre-testing, OAAM expects to roll-out the revised Standard Site Visit Checklist for FY 2012, by September 30, 2011.

This recommendation can be closed when we receive evidence that OJP has adequately completed the above stated actions.

13. **Closed.** OJP concurred with our recommendations to ensure that the Office of the Chief Financial Officer's (OCFO) final FY 2011 Financial Monitoring and Technical Assistance Plan clearly describes the methodology used to select the grants for monitoring, and that the OCFO maintains documentation to show that the grants were selected in accordance with the approved methodology.

OJP stated in its response that in December 2010, OJP's OCFO finalized the FY 2011 Financial Monitoring and Technical Assistance Plan, which includes a detailed description of the methodology used to select Department grants for financial monitoring. OJP stated that as part of the plan, the OCFO developed a risk assessment model for Department grants, which accumulated scores by grant and grantee, allowing for selection of grantees and grants for financial monitoring based upon overall assessed risk. OJP further stated that the risk assessment takes into account various financial and programmatic attributes for each grant. In addition, OJP stated that the OCFO maintains a copy of the source data files used in the risk assessment, as well as a comprehensive database with the scores by attribute, grant, and grantee. According to OJP, this database is also used to track the grantees and grants selected for financial monitoring, and

to track the actual financial monitoring results compared to the original plan.

We reviewed the OCFO's final FY 2011 Financial Monitoring and Technical Assistance Plan provided with OJP's response and determined that it clearly describes the methodology used to select the grants for monitoring, and describes how the OCFO will maintain documentation to show that the grants were selected in accordance with the approved methodology. Therefore, we consider this recommendation closed.