



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



Audit of the Office of Justice Programs Grants Awarded to Trenton, New Jersey

AUDIT OF THE OFFICE OF JUSTICE PROGRAMS GRANTS AWARDED TO TRENTON, NEW JERSEY

EXECUTIVE SUMMARY

The Department of Justice Office of the Inspector General (OIG), Audit Division, has completed an audit of five grants totaling \$2.7 million awarded to the city of Trenton, New Jersey (Trenton) by the Office of Justice Program's (OJP) Office of Juvenile Justice and Delinquency Prevention (OJJDP) and Bureau of Justice Assistance (BJA).¹ These grants included funding for the FY 2008 OJJDP Earmark YouthStat Crime Prevention Program Phase I, the FY 2009 Recovery Act Edward Byrne Memorial Justice Assistance Grant Program for the Anti-Gang Enforcement Efforts and Technology Enhancements, the FY 2009 BJA Congressional Selected YouthStat Crime Prevention Program Phase II, the FY 2009 BJA Congressional Selected ShotSpotter Gunshot Location System, and the FY 2010 BJA Congressional Selected YouthStat Crime Prevention Program Phase III.

The objective of the audit was to assess performance in the key areas of grant management that are applicable and appropriate for the grants under review. Unless otherwise stated in the report, we applied the OJP Financial Guide as our primary criteria.²

We determined that Trenton was not in full compliance with the award conditions in some of the areas tested, and we identified \$253,380 in dollar-related findings, approximately 15 percent of Trenton's total award funding received of \$1,718,047 through November, 2013. The audit questioned \$176,915 in unallowable expenditures, \$128,566 in unsupported expenditures, \$5,502 in unreasonable expenditures; and identified \$63,444 in federal funds to better use.³

In addition to our monetary findings, we identified 13 management improvement findings related to the following 8 areas of grant administration: (1) internal control environment; (2) drawdowns, (3) grant expenditures, (4) contract and sub-grantee monitoring, (5) accountable property, (6) reporting, (7) performance, and (8) special conditions.

¹ During this audit, we identified certain issues requiring further investigation. We made a referral to the OIG's Investigations Division, and put our audit on hold pending resolution of the referral. Subsequently, we were able to complete our audit and issue this report.

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

³ Funds to Better Use are future funds that could be used more efficiently if management took actions to implement and complete audit recommendations. Some costs were also questioned for more than one reason. Please refer to Appendix II for the Schedule of Dollar-Related Findings.

Based on the results of this audit, we make 17 recommendations to OJP regarding the use of award funds, including the \$253,380 in dollar-related findings.

Our audit objective, scope, and methodology appear in Appendix I. Our Schedule of Dollar-Related Findings is located in Appendix II.

We discussed the results of our audit with Trenton officials and have included their comments in the report, as applicable. Additionally, we requested a response to our draft report from Trenton and OJP, and their responses are appended to this report as Appendix III and IV, respectively. Our analysis of both responses, as well as a summary of actions necessary to close the recommendations can be found in Appendix V of this report.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS GRANTS
AWARDED TO TRENTON, NEW JERSEY**

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AUDIT OF THE OFFICE OF JUSTICE PROGRAMS GRANTS AWARDED TO TRENTON, NEW JERSEY

INTRODUCTION

The U.S. Department of Justice, Office of the Inspector General, Audit Division, has completed an audit of five grants awarded to the city of Trenton, New Jersey by the Office of Justice Program's (OJP) Office of Juvenile Justice and Delinquency Prevention (OJJDP) and Bureau of Justice Assistance (BJA). These grants included: (1) Grant 2008-JL-FX-0502, that funded the fiscal year (FY) 2008 OJJDP Earmark YouthStat Crime Prevention Program Phase I (YouthStat Phase I), (2) Grant 2009-SB-B9-2413, that funded the FY 2009 Recovery Act Edward Byrne Memorial Justice Assistance Grant (Recovery JAG) Program for the Anti-Gang Enforcement Efforts and Technology Enhancements, (3) Grant 2009-D1-BX-0189, that funded the FY 2009 BJA Congressional Selected YouthStat Crime Prevention Program Phase II (YouthStat Phase II), (4) Grant 2009-D1-BX-0190, that funded the FY 2009 BJA Congressional Selected ShotSpotter Gunshot Location System (ShotSpotter), and (5) Grant 2010-DD-BX-0543, that funded FY 2010 BJA Congressional Selected YouthStat Crime Prevention Program Phase III (YouthStat Phase III). As shown below, OJP awarded Trenton a total of \$2,691,491 through the five grants.

TRENTON OFFICE OF JUSTICE PROGRAMS AWARDS

AWARD	GRANT AWARD DATE	GRANT AWARD END DATE	GRANT AWARD AMOUNT
2008-JL-FX-0502	09/24/2008	06/30/2013	\$ 460,589
2009-SB-B9-2413	07/30/2009	05/31/2013	1,120,902
2009-D1-BX-0189	09/21/2009	06/30/2014	600,000
2009-D1-BX-0190	09/21/2009	03/31/2013	200,000
2010-DD-BX-0543	09/08/2010	06/30/2014	310,000
Total			\$2,691,491

Source: OJP Award Documents

The objective of the audit was to assess performance in the key areas of grant management that are applicable and appropriate for the grants under review.

Office of Justice Programs

The Office of Justice Programs (OJP), within the Department of Justice, provides the primary management and oversight of the grants we audited. According to its website, OJP provides innovative leadership to federal, state, local, and tribal justice systems, by disseminating state-of-the-art knowledge and practices across America, and providing grants for the implementation of these crime-fighting strategies. Because most of the responsibility for crime control and prevention falls to law enforcement officers in states, cities, and neighborhoods, the

federal government can be effective in these areas only to the extent that it can enter into partnerships with these officers. Therefore, OJP does not directly carry out law enforcement and justice activities. Instead, OJP works in partnership with the justice community to identify the most pressing crime-related challenges confronting the justice system and to provide information, training, coordination, and innovative strategies and approaches for addressing these challenges.

Office of Juvenile Justice and Delinquency Prevention

The Office of Juvenile Justice Delinquency and Prevention (OJJDP), within OJP, is responsible for management and oversight of one of the five grants we audited. OJJDP contributes to the reduction of youth crime and violence through comprehensive and coordinated efforts and the federal, state, and local levels.

OJJDP's stated mission is to provide national leadership, coordination, and resources to prevent and respond to juvenile delinquency and victimization. OJJDP supports states and communities in their efforts to develop and implement effective and coordinated prevention and intervention programs and to improve the juvenile justice system so that it protects public safety, holds offenders accountable, and provides treatment and rehabilitative services tailored to the needs of juveniles and their families.

Bureau of Justice Assistance

The Bureau of Justice Assistance (BJA), within OJP, is responsible for the management and oversight of four of the five grants we audited. According to its website, BJA provides leadership and assistance to local criminal justice programs that improve and reinforce the nation's criminal justice system. BJA's goals are to reduce and prevent crime, violence, and drug abuse and to improve the way in which the criminal justice system functions. In order to achieve such goals, BJA programs illustrate the coordination and cooperation of local, state, and federal governments.

American Recovery and Reinvestment Act

On February 17, 2009, the President signed into law the American Recovery and Reinvestment Act of 2009 (Recovery Act). The purposes of the Recovery Act were to: (1) preserve and create jobs and promote economic recovery; (2) assist those most impacted by the recession; (3) provide investments needed to increase economic efficiency by spurring technological advances in science and health; (4) invest in transportation, environmental protection, and other infrastructure that will provide long term economic benefits; and (5) stabilize state and local government budgets in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

The Recovery Act included \$4 billion to assist state, local, and tribal law enforcement and for other criminal and juvenile justice activities that help to prevent crime and improve the criminal justice system in the United States while supporting the creation of jobs and much needed resources for states and local

communities. OJP administered \$2.7 billion of the \$4 billion in Department of Justice Recovery Act funds throughout its components.

Recovery Act: Edward Byrne Memorial Justice Assistance Grant Program

The Edward Byrne Memorial Justice Assistance Grant (JAG) Program, funded by the Recovery Act of 2009 and administered by BJA, allowed states and local governments to support a broad range of activities to prevent and control crime and to improve the criminal justice system. JAG grants support all components of the criminal justice system, including but not limited to, multijurisdictional drug and gang task forces; crime prevention and domestic violence programs; and courts, corrections, treatment and justice information sharing initiatives. One of the four audited BJA grants awarded to Trenton was funded by the Recovery Act JAG Program (Recovery JAG).

The City of Trenton, New Jersey

The state of New Jersey's capital is the city of Trenton. According to the U.S. Census, the estimated 2012 population of Trenton was 84,477. During FYs 2009 through 2011, Trenton received approximately \$57.5 million of federal and state grants, which included the five grants we audited.¹

Trenton also serves as the county seat of Mercer County. Mercer County is made up of 12 municipalities, including Trenton.² As the county seat, Trenton acted as the fiscal agent to provide Recovery JAG funding to five disparate police departments located in the following Mercer County municipalities: Hamilton Township, Ewing Township, East Windsor Township, Lawrence Township, and the Borough of Princeton.³ As the fiscal agent, Trenton was responsible for administering the grant that benefits other municipalities in Mercer County.

Grant Programs

The five grants audited involved three distinct OJP funded programs described below.

¹ Trenton's Fiscal Year (FY) begins July 1.

² The 12 municipalities within Mercer County include: East Windsor Township, Township of Ewing, Hamilton Township, Borough of Hightstown, Hopewell Borough, Hopewell Township, Lawrence Township, Pennington, Princeton, Township of Robbinsville, Trenton, and West Windsor Township.

³ A disparate allocation occurs when a city or municipality is scheduled to receive at least one-and-one half times (150 percent) more than the county, while the county bears more than 50 percent of the costs associated with prosecution or incarceration of the municipality's violent crimes. In a disparate situation, the units of local government must apply for an award with a single, joint application. The joint application must specify the award distribution to each unit of local government and the purposes for which the funds will be used.

YouthStat Program

According to grant award documentation, the YouthStat program was intended to create synergies through communication between agencies of government and community organizations working with children. YouthStat planned to meet weekly to examine criminally adjudicated youth offenders in the greater Trenton area. The effort involved city, county, state, and private systems, programs, and agencies, all tasked with the proper application of preventive programs and interventions for such youth. The idea was to identify youth who were headed to the next level of criminal activity, such as gangs, guns, and drugs – with jail or death as the end result and to match youth with the right intervention, turn them around and monitor their progress.

Trenton received YouthStat funding in three separate grant awards. Each award represented a different phase of the YouthStat program with different program objectives. YouthStat Phase I provided the necessary infrastructure that convened the YouthStat Partners, facilitated communication, and improved accountability through recapitulation of action plans and performance measures. According to Trenton's grant application, YouthStat Phase I was the first of its kind in which service provider stakeholders gathered to agree on and implement a customized intervention approach for Trenton's at-risk youth. In Trenton's application for funding, YouthStat Phase II addressed the gaps in direct services for the targeted population. Based on Trenton's grant application, YouthStat Phase III planned to improve the infrastructure established in Phase I and II through the use of the YouthStat Website system, program referral process, and the identification of positive evidence based services that previously did not exist.

Recovery Act JAG Grant

Trenton was awarded \$1,120,902 in Recovery JAG grant funds. Trenton was to receive \$884,341 of the Recovery JAG funds and serve as the fiscal agent for the remaining \$236,561 of Recovery JAG funds for the five Mercer County municipalities as sub-grantees.

The Recovery JAG grant project was called the Anti-Gang Enforcement Efforts and Technology Enhancements. Its goal was to successfully combat crime through the use of enhanced police technology. Each sub-grantee's allocation was to be used for activities and projects that were to provide meaningful and measurable outcomes consistent with the goals of the Recovery Act to include improving police services and increasing public safety in the county. For example, the sub-grantees purchased digital video recording equipment, police car light bars, and other police service equipment to help improve public safety.

ShotSpotter

Lastly, Trenton received funding from the BJA Congressional Recommended Award to be used to purchase a ShotSpotter Gunshot Location System to use in

their enforcement efforts to curb violent crime, specifically related to guns and gunfire.

The ShotSpotter system consists of multiple acoustic sensors installed around the city. The sensors are paired with audio analysis software, which identifies the unique signature of gunshots and other loud explosive sounds in real time. When an incident occurs, the sensors and software immediately triangulate and pinpoint the precise location of the sound, which assists law enforcement locate, analyze, prioritize, and appropriately respond to isolated incidents and trends.

Audit Approach

We tested compliance with what we considered to be the most important conditions of the grants. Unless otherwise stated in our report, we applied the OJP Financial Guide and the award documentation as our primary criteria during our audit. The OJP Financial Guide serves as a reference manual assisting award recipients in their fiduciary responsibility to safeguard grant funds and ensure that funds are used appropriately and within the terms and conditions of awards. Additionally, the OJP Financial Guide cites applicable Office of Management and Budget (OMB) and C.F.R. criteria that we also considered in performing our audit. The areas of grant administration we tested include:

- **Internal control environment** to determine whether the financial accounting system and related internal controls were adequate to safeguard grant funds and ensure compliance with the terms and conditions of the grant.
- **Drawdowns (requests for grant funding)** to determine whether Trenton's requests for funding were adequately supported and if Trenton managed its grant receipts in accordance with federal requirements.
- **Grant expenditures** to determine whether the costs charged, including personnel, travel, consultant payments, and other expenditures, to the grants were properly allocated, allowable, supported, and reasonable to ensure compliance with the terms and conditions of the grants.
- **Monitoring of contractors and sub-grantees** to determine whether Trenton provided sufficient oversight of its contractors and sub-grantees.
- **Accountable property** to determine Trenton's procedures for controlling accountable property.
- **Budget management and control** to determine the overall acceptability of budgeted costs by identifying any budget deviations between the amounts authorized in the OJP grant budget and the actual costs incurred for each budget category.

- **Reporting** to determine if the required periodic Federal Financial Reports, Progress Reports, and Recovery Act Reports were submitted on time and accurately reflect grant activity.
- **Program performance and accomplishments** to determine whether Trenton achieved the grants' objectives and to assess performance and grant accomplishments.
- **Compliance with award special conditions** to determine whether Trenton complied with the terms and conditions specified in the individual grant award documents.

When applicable in our grant audits, we also test for compliance in the areas of indirect costs, matching funds, and program income. For the grants awarded to Trenton, we determined there were no indirect costs, matching funds were not required, and we found no evidence that the grant programs generated program income.

FINDINGS AND RECOMMENDATIONS

COMPLIANCE WITH ESSENTIAL GRANT REQUIREMENTS

We determined that Trenton did not comply with essential grant requirements in some of the areas we tested. Specifically, we found that Trenton: (1) did not maintain written grant administration policies and procedures; (2) had insufficient segregation of duties and inadequate supervision; (3) did not base all drawdowns on actual expenditures which resulted in excess cash on hand after the close out period; (4) charged unallowable, unsupported, and unreasonable expenditures to the grants; (5) did not adequately monitor the spending or performance of the contractors and sub-grantees; (6) did not properly safeguard accountable property acquired with grant funds; (7) failed to submit or submitted the Federal Financial, Progress, and Recovery Act reports late with inaccuracies; (8) failed to meet program objectives; (9) used grant funding to supplant existing funding; and (10) did not fully comply with grant special conditions. This audit identified \$253,380 dollar-related findings representing 15 percent of the OJP grant funding Trenton received. Specifically, we determined that \$189,936 of grant funding was used for purposes that were either: (1) unallowable, (2) unsupported, or (3) unreasonable. In addition, we identified \$63,444 of grant funding for better use.⁴ Our findings, including the underlying causes and potential effects, are further discussed in the body of this report.⁵

Internal Control Environment

We determined that Trenton lacked adequate internal controls to meet its responsibilities to safeguard grant funds and to ensure funds were used for the purposes for which they were awarded. We found Trenton had inadequate segregation of duties, a lack of adequate supervision, and failed to establish and adhere to written policies and procedures for all aspects of grant administration.

As shown below, grants YouthStat Phase I, Recovery JAG, and ShotSpotter concluded prior to the start of our audit. The remaining two grants, YouthStat Phase II and YouthStat Phase III were on-going during our audit.

⁴ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount. Please refer to Appendix II for the Schedule of Dollar-Related Findings.

⁵ The Inspector General Act of 1978, as amended, contains our reporting requirements for questioned costs. However, not all findings are dollar-related. See Appendix II, for a breakdown of our dollar-related findings and for the definition of questioned costs.

TRENTON OFFICE OF JUSTICE PROGRAMS AWARDS

AWARD	GRANT AWARD DATE	GRANT AWARD END DATE	GRANT AWARD AMOUNT	AMOUNT EXPENDED (AS OF 11/2013)
YouthStat Phase I	09/24/2008	06/30/2013	\$ 460,589	\$ 398,139
Recovery JAG	07/30/2009	05/31/2013	1,120,902	678,476
YouthStat Phase II	09/21/2009	06/30/2014	600,000	5,282
ShotSpotter	09/21/2009	03/31/2013	200,000	200,000
YouthStat Phase III	09/08/2010	06/30/2014	310,000	-
Total			\$ 2,691,491	\$ 1,281,897

Source: OJP and Trenton Accounting Records

Grantees are required to establish and maintain internal controls to manage grant funding. The absence of an adequate and effective internal control environment leaves grant funds at significant risk and weakens the ability of the grant recipient to ensure that federal funds are being adequately safeguarded and spent in accordance with the grant objectives.

We assessed Trenton’s internal controls by considering Trenton’s overall fiscal condition, reviewing prior audits, and by reviewing Trenton’s accounting and financial management system that applied to the grants audited.

Since FY 2012, Trenton has been receiving financial aid from the State of New Jersey because Trenton has declared that it is incapable of meeting its obligations and managing its finances without special state assistance, oversight, and intervention. Trenton’s fiscal problems have also resulted in rounds of layoffs that have affected the agencies and departments responsible for administering the grants we audited. Specifically, in January 2009, Trenton implemented a layoff plan whereby 64 employees were laid off. In November 2010, Trenton executed another layoff plan whereby 85 city employees were laid off and 39 were demoted. The most recent layoffs occurred in September 2011, where Trenton laid off 36 civilian employees and the Police Department laid off 103 police officers and demoted 33 officers. Trenton executed these layoffs for reasons of economy and efficiency.

In addition, Trenton has endured substantial turnover within several departments that affected several areas of our audit. According to Trenton officials, between 2008 through 2014, 10 different people have held the title of Trenton’s Business Administrator. Within Trenton’s Finance Department, there have been three different Finance Directors between March 2007 and March 2012. Since March 2012, the Finance Director position has been vacant and the current Trenton Chief Financial Officer has been managing the Finance Department. In addition, according to a Trenton Police Detective, there have been eight different Trenton Police Directors from 2008 through 2014.

We identified internal control deficiencies that contributed to the instances of noncompliance related to drawdowns, expenditures, monitoring contractors, reporting, and accountable property as described in the following sections of this report.

Prior Audits and Reviews

According to OMB Circular A-133, non-federal entities that expend \$500,000 or more in federal awards in a year shall have a single audit conducted. Trenton's prior single audits conducted between FY 2010 and FY 2012 indicated Trenton had a history of deficiencies related to the following areas: inadequate supervision and supporting documentation related to personnel and payroll; improper or unauthorized disbursements; non-compliant sub-grantee monitoring; improper expenditure spending; and lack of segregation of duties and insufficient documentation related to procurement and contracting. The deficiencies identified in Trenton's single audits remain open and some issues have carried forward from year to year. While Trenton's single audits did not directly test any of the audited grants, the issues identified provided indications of possible grant related issues.

The OJP site visits conducted in September 2010 and February 2013 also identified the following issues requiring Trenton's resolution. These issues included the need for financial management training for program and financial managers; unsupported sub-grantee expenditure costs; lack of sub-grantee monitoring policies and procedures; and implementation delays.⁶ Our audit confirmed that these issues are not completely resolved.

Financial Management and Administration of Grants

While our audit did not assess Trenton's overall system of internal controls, we did review the internal controls of Trenton's financial management system specific to the administration of the grant funding during the period under review. According to the OJP Financial Guide, all recipients of OJP funding should establish and maintain adequate accounting systems and financial records to accurately account for award funds separately. We found Trenton tracked each grant separately within the accounting system. We also found from our testing, that Trenton's accounting system was adequate to record the receipt and expenditures of federal funds.

However, we determined Trenton's administration of the grants was inadequate. We found Trenton failed to establish and adhere to written policies and procedures to govern the use and management of federal funds, including: general grant management, grant drawdowns, accountable property management, grant reporting, and grant monitoring of consultants and contractors. We also found

⁶ The first site visit occurred in September 2010 and was for the Recovery JAG grant. The second and final site visit occurred in February 2013 and was for the Recovery JAG grant and the YouthStat Phase II grant, which had not started expending funds.

inadequate segregation of duties and supervision, which increased the potential of non-compliance. In addition, we found Trenton did not establish a trust fund for the Recovery JAG grant, which we discuss in the Compliance with Award Special Conditions section of this report.

In summary, we determined Trenton’s internal controls were inadequate. Because we identified internal control deficiencies, we expanded our audit testing and found that Trenton’s internal control deficiencies were the cause of several findings and questioned costs found and discussed in the following sections of this report.

We recommend that OJP ensure Trenton establishes appropriate internal controls that include the design and implementation of written accounting and financial policies and procedures relating to grant administration activities. We also recommend that OJP ensure Trenton implements internal controls related to ensuring proper segregation of duties and supervision.

Drawdowns

The term drawdown is used to describe the process when a recipient requests and receives funds under a grant award agreement. According to the OJP Financial Guide, recipients should request funds based upon immediate disbursement or reimbursement requirements. Recipients should time their drawdown requests to ensure that Federal cash on hand is the minimum needed for disbursements/reimbursements to be made immediately or within 10 days.

Trenton received \$1,718,047 through 16 separate drawdowns for 3 of the 5 grants between January 2010 and August 2013. We determined Trenton did not comply with cash-management requirements related to drawdowns made in advance and excess cash on hand. The table below summarizes the funding Trenton received.

DRAWDOWN SUMMARY FOR TRENTON AS OF FEBRUARY 2014

AWARD	GRANT STATUS	AWARD AMOUNT	NUMBER OF DRAWDOWNS	DRAWN DOWN
YouthStat Phase I	Completed	\$ 460,589	9	\$ 398,139
Recovery JAG	Completed	\$ 1,120,902	5	1,119,908
YouthStat Phase II	On-going	\$ 600,000	0	-
ShotSpotter	Completed	\$ 200,000	2	200,000
YouthStat Phase III	On-going	\$ 310,000	0	-
Total		\$2,691,491	16	\$ 1,718,047

Source: OJP

When we examined the listing of drawdowns, we noted significant delays in drawing down funds for all grants. We found the first drawdowns for the YouthStat Phase I, Recovery JAG, and ShotSpotter grants were delayed from the start of the grant by 16, 37, and 21 months, respectively. As of February 2014, no funds had been drawn down on the remaining two grants. According to Trenton’s Chief

Financial Officer, the reasons for the drawdown delays were due to reporting issues or a delay in the start of the program resulting in no expenditures.

To determine if drawdowns were completed in advance or on a reimbursement basis, we interviewed grant officials, reviewed and compared Trenton's accounting data and OJP drawdown schedule. Since the policies and procedures were not written, Trenton's Chief Financial Officer explained the methodology for determining the timing and amount of the drawdowns was based on a reimbursement basis, what was spent as shown in the accounting records. We found Trenton requested funding on a reimbursement basis in all instances except one. The last drawdown made for the Recovery JAG grant was done in advance, which resulted in excess cash on hand in the amount of \$502,103 at the end of the allowable 10 days. According to Trenton's Chief Financial Officer, as of March 2014, approximately 7 months after the allowable 10 days, Trenton still maintained the \$441,432 of excess Recovery JAG grant funding. According to the OJP Financial Guide, grantees are required to develop procedures when advancements are made to ensure that cash on hand is kept to a minimum.

According to the OJP Financial Guide, grantees are also required to request reimbursements and expend obligated and unexpended funds no more than 90 days after the grant expiration date and any funds not liquidated at the end of the 90 day period will lapse and revert to the awarding agency. According to Trenton's Chief Financial Officer, the final drawdown for the Recovery JAG grant, which resulted in excess cash on hand as mentioned above included \$385,750 of encumbered police vehicles. Trenton's Chief Financial Officer explained the cars were ordered in May 2013 and thought the cars would be delivered within the allowable grant period. However, the small number of vehicles purchased with the Recovery JAG funds was low on the vendor's priority list because Trenton also ordered several hundred police vehicles using other funding. As a result, the vehicles purchased with Recovery JAG funds were not delivered until March 2014. In addition, according to Trenton's internal procurement policy, payments to vendors cannot be made before the delivery of the service or product. Under these circumstances, we believe the \$385,750 of the excess Recovery JAG grant funds were procured and purchased properly, and were used within the conditions of the grant even though the funds were spent after the grant period. The remaining \$55,682 of excess Recovery JAG funds held by Trenton was refunded to OJP in March 2014, after being notified of the excess funds.

These problems were caused because Trenton failed to establish policies and procedures and Trenton staff was not properly trained in the grant management of drawdowns. When grantees fail to properly manage and minimize the time elapsing between the receipt of funds and disbursement of those funds for grant eligible expenditures, the Federal Government is at risk of losing interest receipts.

Therefore, we recommend that OJP ensure Trenton establishes and adheres to policies and procedures for (1) identifying drawdown amounts and (2) minimizing the time between drawdown and disbursement in accordance with the OJP Financial Guide to reduce excess cash on hand. We also recommend that

OJP ensure that Trenton staff is adequately trained in the area of grant drawdown management. In addition, we recommend that OJP put to better use \$63,444 in non-drawn down funds from the YouthStat Phase I and Recovery JAG grants.

Grant Expenditures

We determined that \$189,936 of grant funding was used for purposes that were either: (1) unallowable, (2) unsupported, or (3) unreasonable. Trenton’s approved budget included costs related to personnel, consultant and contractual expenditures, equipment, and supplies. From the total expenditure universe of \$1,281,897, we tested \$1,093,449, or 85 percent of the total expenditures, to determine whether the costs were allowable, supported, reasonable, and properly allocated in compliance with the awards requirements.

We expanded our testing given the single audit issues and internal control issues identified previously. As shown below, the majority of grant funding was expended from the consultants and equipment cost categories. Nevertheless, we tested expenditures from each grant and within each cost category, as described in the remainder of this section.

EXPENDITURES BY GRANT THROUGH NOVEMBER 2013

Expenditure Type	YouthStat Phase I	Recovery JAG	YouthStat Phase II	ShotSpotter	TOTAL ⁷
Consultants/Contracts	\$ 384,897 ⁸	\$ 286,561 ⁹	-	-	\$ 671,458
Equipment	\$ 5,897	\$ 280,456	-	\$ 200,000	\$ 486,353
Personnel	-	\$ 111,459	\$ 5,281	-	\$ 116,740
Supplies	\$ 7,346	-	-	-	\$ 7,346
TOTAL	\$398,139¹⁰	\$ 678,476	\$ 5,281	\$ 200,000	\$ 1,281,897

Source: Trenton Accounting Records

⁷ There were no YouthStat Phase III expenditures made during the scope of our audit.

⁸ Consultants and Contractual expenditures include other consultant related expenditures.

⁹ Sub-grantee expenditures were classified as consultants within Trenton’s accounting records.

¹⁰ Amounts do not equal the total due to rounding.

Consultants and Contractual Expenditures

We determined Trenton used grant funding for consultant fees, contractual agreements, and other consultant related expenditures from two of the five OJP grants.¹¹ In addition, Trenton expended \$236,561 of Recovery JAG grant funding to the five sub-grantees, which were categorized as consultants in the accounting records.¹²

We judgmentally selected and tested 57 percent of the total consultant and contractual expenditures and found \$29,963 of unallowable, unsupported, and unreasonable costs. We also tested all sub-grantee expenditures.

In the remainder of this section, we discuss our testing of the consultant and contractual expenses of each grant, as well as the sub-grantee expenses. In the Monitoring of Contractors and Sub-Grantees section of this report, we reviewed Trenton's policy for managing the contractors and sub-grantees and determined unallowable contractual expenditures based on the terms and conditions of the contracts.

Consultant Expenditures

Trenton spent \$10,448 in grant funding on consultant-related expenditures. We tested a judgmental sample of those expenditures and found \$2,824 in unallowable and unsupported questioned costs. In addition, we also question \$2,228 as unreasonable expenses as explained below.

Some consultant-related expenditures included mileage, travel, and meal reimbursement, training, and service expenditures related to one of the two YouthStat Phase I consultants. We noted that mileage reimbursement was included in the consultant's contract and we reviewed those expenditures as a whole in the Monitoring of Contractors and Sub-grantees section.

To determine if the expenditures were allowable, we reviewed the award budgets, the OJP Financial Guide, Trenton's expense procedures, and the terms and conditions of the grants. To determine if the expenditures were supported, we reviewed invoices, requisitions, and related receipts.

Specifically, we identified an unallowable charge of \$560 for a note taking service, which was not in the OJP approved budget and was not properly procured

¹¹ According to the OJP Financial Guide, a consultant is an individual who provides professional advice or services and contracts are entered into by the awarding agency, recipients, or sub-recipients, and commercial and nonprofit organizations to procure a good or service.

¹² According to the OJP Financial Guide, sub-recipient or sub-grantee is an individual and/or organization that receives Federal financial assistance from the direct recipient of the Federal funds. It also includes entities receiving funds as a result of block or formula awards.

by Trenton. In addition, we identified \$1,294 of unallowable and \$970 unsupported travel and training expenditures due to the use of an incorrect mileage rate and insufficient information.

We also question \$2,228 of other consultant related expenditures as unreasonable. Initially, we tested two expenditures which were documented as services within the accounting system. As a result of our testing, we found those expenditures were two monthly data plan charges for wireless cards. According to the Program Manager, the wireless cards were to be used in conjunction with the website that was developed by a contractor funded by the YouthStat Phase I grant. In addition, the Program Manager explained that the wireless cards were purchased for the YouthStat Coordinator prior to the completion of the website, but the cards were deemed not feasible once they were purchased. Nevertheless, Trenton was using grant funding to pay for unnecessary wireless card charges for 15 months totaling \$2,228 of data charges. According to OMB Circular A-87, a cost is reasonable if the cost is necessary for the performance of the federal award. We therefore consider all of the wireless card expenditures purchased for the YouthStat Coordinator to be unreasonable.

Contractual Expenditures

We identified a total of \$24,911 of contractual expenditures relating to the contractor, A Better Way, to be unallowable (\$8,616), unsupported (\$13,021), and unreasonable (\$3,274). Trenton spent YouthStat Phase I grant funding on three contractual agreements and we judgmentally tested 91 percent of the total \$142,850 of contractual expenditures.

To determine if expenditures were allowable, we compared the expenditures to the award budget, reviewed the permissible uses of funds outlined in the OJP Financial Guide, and reviewed the terms and conditions of the award. We found payments made to A Better Way were not based on OJP approved rates and were not supported by the documentation provided to Trenton. A Better Way is a not-for-profit organization which provided community based mentors to the at-risk teens and families identified in the YouthStat program a support system and links to additional resources.

OJP approved payments for mentors only and we found expenses for non-mentoring staff as well as other charges not approved by OJP, including the purchase of t-shirts, trip transportation, and food expenses. Therefore, we question \$8,616 of A Better Way's contractual expenses as unallowable expenses for non-mentoring staff and other expenses not approved by OJP.

To determine if payments made to A Better Way were supported, we reviewed invoices, requisitions, and time sheets A Better Way provided to Trenton. We found the supporting documentation did not fully support the expenses. We also found inconsistencies within the mentor's time sheets, which did not completely support the charges against the grant. Therefore, we questioned \$13,021 of A Better Way's contractual expenditures as unsupported.

We also question \$3,274 in unreasonable expenses. While reviewing the time sheets to support payments made to mentors, we came across one expense for mentor training where the time sheets do not indicate the start and end time of the training and states that the training was a single 20-hour day, which in our judgment is unreasonable. According to OMB Circular A-87, a cost is reasonable if, in its nature and amount, does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. According to an official from A Better Way, the training was held over 4 days and the mentors documented the total 20 hours of training on the last day. However, there was no additional documentation received to support that the training was 4 days.

In summary, Trenton's inadequate segregation of duties and supervision, including the review of supporting documentation and the lack of written contractor monitoring policies and procedures caused the questioned consultant related and contractual expenses. In addition, Trenton staff was not properly trained to ensure consultant and contractor expenditures are allowable and properly supported.

As a result, we question a total of \$29,963 of consultant and contractual expenditures Trenton made with grant funding. Specifically, we identified the following issues related to \$5,052 in questioned consultant related expenditures: (1) unallowable charge for a note taking service which was not in the OJP approved budget and was not properly procured by Trenton, (2) unallowable and unsupported travel and training expenditures due to insufficient information and an incorrect mileage rate, and (3) unreasonable expenditures related to unnecessary wireless cards. In addition, we found issues related to \$24,911 in questioned contractual expenditures: (1) unallowable contractor expenses for non-mentoring staff, and other expenses not approved by OJP, (2) unsupported contractor expenses due to insufficient and inaccurate supporting documentation, and (3) unreasonable contractor expenses for mentor training. We also recommend OJP ensure that Trenton staff is adequately trained in grant expenditure management, including contract expenditures.

Sub-grantee Expenditures

We found that Trenton did not accurately reflect what the sub-grantees purchased within the accounting records. We also found Trenton did not review supporting documentation resulting in unsupported funding paid to the sub-grantees.

Trenton, acting as the fiscal agent, provided Recovery JAG funding to 5 sub-grantees in 13 expenditures totaling \$236,561. Due to the large amount of funding in a small number of transactions and the known risk of management inefficiency, we tested all expenditures charged by the sub-grantees to determine if the expenses were properly recorded, allowable, and supported.

To determine if the expenditures were properly recorded, we verified that amounts from the invoices and receipts were accurately recorded in the accounting system. To determine if expenditures were allowable, we compared the expenditures to the award budget, reviewed the permissible uses of funds outlined in the OJP Financial Guide, and reviewed the terms and conditions of the Recovery JAG award. To determine if expenditures were supported, we reviewed purchase documents, invoices, and accompanying accounting system data received from Trenton as well as the supporting documentation from the sub-grantees themselves.

We found that the descriptions in the accounting records did not accurately reflect what was purchased by three of the five sub-grantees. Therefore, we relied on the supporting documentation to determine if the expenditure amounts were properly recorded and allowable. Based on our review of the supporting documentation, we found that the sub-grantees used grant funding to purchase digital video recording units, mobile data computer systems, police car light bars, and other police related equipment.

After testing the sub-grantee transactions, we found no evidence of unallowable expenditures; however, we identified an unsupported expenditure related to one of the five sub-grantees. Trenton's accounting records indicated the sub-grantee expended \$63,332, but according to the supporting documentation, the sub-grantee expended \$63,274, leaving \$58 of the \$63,332 as unsupported. We consider this amount as immaterial and do not report it as questioned cost, but we do consider this exception to be indicative of the internal control weaknesses already addressed within this section of the report.

Equipment Expenditures

Trenton expended \$486,353 of grant funding on 41 equipment expenses from 3 of 5 grants. We tested all equipment transactions totaling \$486,353 and found all equipment purchases were properly recorded, allowable, and adequately supported. However, as we discuss in the Accountable Property section Trenton's process for controlling and safeguarding this equipment was not adequate.

Personnel Expenditures

A total of \$116,740 was used for personnel charges from the Recovery JAG and the YouthStat Phase II grants. We tested the three personnel transactions totaling \$116,740 to determine if the expenditures were allowable, supported, properly allocated, and reasonable. Our review determined that \$111,459 in personnel expenditures were unallowable, and unsupported.

To determine if the personnel expenditures under each grant were allowable, we compared the amount charged to the budget-approved personnel category. To determine if the personnel expenditures were supported, we reviewed grant funded staff member activity reports and timesheets for evidence of supervisory approval. To determine if the personnel expenditures were properly allocated, we reviewed

the staff members' timesheets and payroll documentation to the accounting records. We also determined if the personnel expenditures charged to the grant were reasonable based on hours worked and workload.

The one personnel expenditure totaling \$111,459 encompassed 26 bi-weekly pay periods from March 2009 through March 2010 for 2 current Trenton employees. The expenditure, however, was manually entered into Trenton's accounting system in March 2013, 3 years later. Originally, the personnel funding was to be used to fund a project coordinator position for 3 years. However, we determined Trenton used the funding for two current Trenton employees for whom it did not receive OJP approval. In addition, Trenton did not inform OJP that the funding would be used for 1 year of payments instead of 3 years.

According to the expenditure description within the Trenton accounting system, the payments were divided between the two employees - \$81,721 for the Recovery JAG Program Manager and \$29,738 for the Assistant Chief Accountant, respectively. In determining how the portion split was established, we discovered that the Assistant Chief Accountant, one of the two employees receiving the grant funding, decided on the amounts for the personnel portion split. During March 2009 through March 2010, the Recovery JAG Program Manager stated she managed 27 grants and estimated the time spent on all grant management was 60 percent from February through May and 20 percent the rest of the year. According to Trenton's Chief Financial Officer, the Assistant Chief Accountant managed all DOJ grants, which equaled to over 50 grants from March 2009 through March 2010. Based on Trenton's staff statements on time allocated to grant work, we conclude that the percentage split allocation was inaccurate and there was no support or approval for this portion determination.

After reviewing the paystubs and salaries of the two employees, we determined the employees were not paid in excess of their salaries at any time during 2009 through 2013. However, when we reviewed the accounting records, we determined that the personnel funding was not used to pay any portion of the employee's salaries and was used to supplant existing budgeted Trenton funding. Trenton's Chief Financial Officer confirmed that neither employee received any payments from the Recovery JAG grant. Therefore, we question the \$111,459 as unallowable due to the personnel funding was used to supplant existing funding. We discuss supplanting in more detail in the Compliance with Award Special Conditions section of this report.

The OJP Financial Guide requires charges made to Federal awards for personnel services should be based on documented payrolls approved by a responsible official of the organization. The guidance goes on to say that the distribution of salaries and wages to awards must be supported by personnel time and effort reports. These reports should: reflect an after-the-fact distribution of the actual activity of each employee; account for the total activity of each employee; be prepared at least monthly; coincide with one or more pay periods; and be signed by the employee. These reports should also be reviewed, approved, and signed on a

regular basis by a supervisory official having first-hand knowledge of the work performed.

The Recovery JAG Program Manager was also unaware of how the Assistant Chief Accountant determined the salary portions. She explained that the Trenton Police Department does not use time sheets and the Assistant Chief Accountant did not inquire as to how the Recovery JAG Program Manager allocated her time. According to the Recovery JAG Program Manager, she and the Assistant Chief Accountant were not aware that time and effort reports were required.

The Assistant Chief Accountant did have time and effort reports for the year in which the position was funded with grant funding. We reviewed the time and effort reports and found they were inaccurate and incomplete with instances of lack of supervisory approval. In addition, we found that Trenton failed to establish procedures for the preparation, documentation, or supervisory review of the time and effort reports documenting the allocation of time spent on the OJP audited grants as well as other activities. We have, therefore, also determined that the personnel expense of \$111,459 was unsupported because of the lack of time and efforts reports and the lack of documentation supporting the approval and determination of the salary portion.

In summary, Trenton used Recovery JAG funding to fund a portion of the Program Manager and Assistant Chief Accountant's salary totaling \$111,459. We determined that this expense was: (1) unallowable because the funds were used to supplant existing funding; and (2) unsupported due to the lack of time and effort reports and the lack of documentation supporting the approval and determination of the salary split.

In addition, we recommend OJP ensure that Trenton implements and adheres to policies and procedures that ensure personnel expenditures paid with grant funding are documented and are based on actual time and effort reports with timely supervisory review as required by the OJP Financial Guide. We also recommend OJP ensure that Trenton is adequately trained in grant expenditure management, including personnel expenditures.

Supplies Expenditures

Trenton spent \$7,346 of YouthStat Phase I grant funding for supplies. We found Trenton's supply expenditures were properly recorded, allowable, and adequately supported.

Monitoring of Contractors and Sub-Grantees

We determined Trenton failed to provide adequate oversight of its contractors and sub-grantees. This included failure to ensure that the contractors and sub-grantees adhered to the terms and conditions of their contracts.

As previously described in the Contractual Expenditures section of this report, we determined that Trenton used grant funding for consultants, contracts, and sub-grantees. Our review of Trenton's contractor and sub-grantee monitoring included the review of Trenton's monitoring procedures and verifying that the contractor expenses, including the purchase of the ShotSpotter equipment, compiled with their individual contracts.¹³

Monitoring of Contractors

We found that Trenton's oversight of contractors was limited to infrequent verbal communications and review of deliverables. Trenton officials told us there were no written policies and procedures in place for monitoring the contractor's quality and performance. In our opinion, without an adequate contractor monitoring process, Trenton cannot ensure that contractors are conforming to contract terms and conditions and that federal funds used to pay contractors are used for the intended purposes.

The OJP Financial Guide requires that Trenton ensure that contractors are monitored in a manner that will ensure compliance with the overall financial management requirements. According to 28 C.F.R. § 66.36, Trenton must also maintain a contract administration system to ensure contractors perform in accordance with the terms, conditions, and specifications of their contracts. In order to determine if the eight contracts Trenton extended were allowable per the budgeted and contractual amounts, we reviewed the OJP approved budgets, the consultant and contractors contractual agreements, and Trenton's procurement policy.

We determined \$54,986 of contracting grant funding was unallowable based on the OJP approved budget and Trenton approved contracts. The following table illustrates the Trenton consultant and contractor funded by the OJP grants that were unallowable.

¹³ The ShotSpotter equipment purchased by Trenton was part of a contract, but was categorized as equipment within the accounting system.

CONSULTANTS/CONTRACTORS

Consultants	BUDGETED AMOUNT	CONTRACT AMOUNT	EXPENDED AMOUNT	UNALLOWABLE PER CONTRACT
YouthStat Phase I Program Coordinator #1 Year 1 Contract	\$ 66,000	\$ 66,000	\$ 69,412	\$ 3,412
YouthStat Phase I Program Coordinator #1 Year 1 Mileage Reimbursement	\$ 1,820	\$ 1,820	\$ 1,185	-
YouthStat Phase I Program Coordinator #1 Year 2 Contract	\$ 66,000	\$ 66,000	\$ 96,187	\$ 30,187
YouthStat Phase I Program Coordinator #1 Year 2 Mileage Reimbursement	\$ 1,820	\$ 1,820	\$ 5,207	\$ 3,387
Contractors	BUDGETED AMOUNT	CONTRACT AMOUNT	EXPENDED AMOUNT	UNALLOWABLE PER CONTRACT
YouthStat Phase I Evaluator	\$ 9,000	\$ 27,000	\$ 27,000	\$ 18,000
TOTAL UNALLOWABLE				\$ 54,986

Source: OJP Approved Budget and Trenton Accounting Records

We found the YouthStat Program Coordinator position was budgeted for \$66,000 per year for a total of 3 years. According to the first YouthStat Program Coordinator’s contract, the consultant fee was \$66,000 per year, totaling \$132,000 for 2 years. In addition, the first YouthStat Coordinator’s contract allowed for mileage reimbursement at \$1,820 per year, totaling \$3,640. Therefore, as shown above, the first YouthStat Program Coordinator’s contract with Trenton totaled \$67,820 per year. We determined the first YouthStat Program Coordinator received \$36,986 more than what was approved by OJP and Trenton the first YouthStat Program Coordinator’s contracting period of 2 years.

OJP and Trenton also approved a contract to provide an annual evaluation of the YouthStat program for 3 years at \$9,000 per year, for a total of \$27,000. However, due to the delay of the YouthStat Phase I program, the contractor only delivered one evaluation and received the full \$27,000. According to the OJP Financial Guide, any changes to the scope of the grant including altering programmatic activities require prior approval from OJP. Therefore, we are questioning \$18,000 in contractual expenses paid with YouthStat Phase I grant funding as unallowable.

These problems occurred because Trenton did not adequately monitor and supervise the consultants and contractors paid with grant funding. In addition, the lack of written policies and procedures monitoring contractor’s quality and performance also contributed to the questioned costs identified.

Sub-Grantee Monitoring

According to the OJP Financial Guide, as the direct grant recipient, Trenton was required to monitor their sub-grantees' financial operations, records, systems, and procedures. In addition, particular attention should be directed to the maintenance of current financial data. Since the sub-grantees received Recovery JAG grant funding, Trenton was also responsible for the oversight of sub-grantee spending and monitoring of specific outcomes and benefits attributable to the use of Recovery Act funds by its sub-grantee. This includes ensuring that the recipient and sub-grantees receiving Recovery Act funds: (1) abided by OMB Circular A-133, (2) maintained current registrations in the Central Contractor Registration (CCR), and (3) had a valid Dun & Bradstreet Data Universal Numbering System (DUNS) profile. Trenton was also required to submit documentation of its policies and procedures for monitoring of sub-awards under the Recovery Act.

To evaluate Trenton's sub-grantee monitoring, we interviewed Trenton grant officials, reviewed Trenton's sub-grantee monitoring policy and procurement policy, and reviewed sub-grantee supporting documentation. We found Trenton did have a policy for monitoring sub-grantees, but it was inadequate and Trenton did not effectively monitor the OJP funding provided to the sub-grantees. According to the Program Manager, Trenton had not evaluated the sub-grantee's processes and procedures for administering the grant award.

Non-federal agencies, including sub-grantees that expend \$500,000 or more in Federal funds are also required to have a single audit conducted in accordance with the OMB Circular A-133. We found that Trenton had not determined whether the sub-grantees had complied with the single audit requirement. We also found Trenton only maintained its DUNS number and ensured its own CCR registration, but Trenton did not ensure that the sub-grantees DUNS profile was valid or ensure the CCR registrations were active. Due to the inadequate written sub-grantee monitoring policy, Trenton did not provide sufficient oversight of its sub-grantees. Without adequate monitoring of sub-grantees, Trenton, as the grantee, cannot ensure that grant funds are being used by valid sub-grantees and that grant-funded equipment is being used to achieve grant objectives and goals.

In summary, we identified \$54,897 in contractor costs as unallowable because the expenses were not allowable per the budget and contracts. We also recommend OJP ensure that Trenton implement policies and procedures for monitoring consultants and contractor quality and performance. In addition, we recommend OJP ensure that Trenton revise the sub-grantee monitoring policy to document the evaluation and all monitoring procedures as required by the OJP Financial Guide between Trenton and the sub-grantees.

Accountable Property

We determined Trenton's process for controlling and safeguarding accountable property was inadequate. We also found Trenton's inventory was incomplete and unreliable. As a result of the incomplete and unreliable inventory,

we found instances of property not being used as directed, \$3,116 of missing and neglected property, and accountable property not being inventoried.

According to the OJP Financial Guide, grantees are required to be prudent in the acquisition and management of property acquired with federal funds. The OJP Financial Guide states that grantees must take a physical inventory of accountable property and reconcile the results with the property records at least once every 2 years. The OJP Financial Guide also requires recipients to maintain property records that include a description of the property, a serial number, source of the property, identification of the title holder, acquisition date, cost of the property, percentage of Federal participation in the cost of the property, location of the property, use and condition of the property, and disposition data. In addition, the OJP Financial Guide states grantees are responsible for replacing or repairing the property, which is willfully or negligently lost, stolen, damaged, or destroyed. Any loss, damage, or theft of the property must be investigated and fully documented and made part of the official project records.

We found that Trenton contracted with an asset inventory company, using non-grant funds to verify and track its property every two years. Within the inventory contract, accountable property valued at \$3,000 and above and specifically requested (computers and audio-visual items) were verified and tracked. We determined that during the audit period, Trenton complied with ensuring that a property inventory was performed twice over the last 4 years. However, Trenton's process for controlling and safeguarding accountable property was inadequate.

According to the property contractor, due to Trenton's high turnover, there were instances in which there was no Trenton point of contact to ensure all department accountable property was being inventoried. In addition, Trenton did not have a disposal listing or policies and procedures relating to the acquisition, inventory, chain of custody, and the disposal of its accountable property inventory. In addition, Trenton's inventories did not designate property purchased with federal grant funds as "Federally Funded."

Without policies and procedures to ensure all property in all departments were captured and reconciled with what was purchased by Trenton, the property contractor could not capture all of the accountable property nor could the disposals be reconciled. Consequently, we were not able to rely on Trenton's inventory to verify the grant's accountable property due to Trenton's inventory being incomplete and unreliable.

Nevertheless, we relied on the accountable property invoice detail, which supported the accountable property transactions to test if the property was accounted for and being used for allowable purposes. We tested 30 accountable property transactions from 3 of the 5 grants totaling \$709,068, or 97 percent of the total \$730,260 accountable property transactions.

As a result of Trenton's inadequate inventory and accountable property procedures, we found instances of accountable property purchased by the sub-grantees and Trenton where the property was not being used as required by the conditions of the grant. We also found that Trenton did not ensure that the sub-grantee's accountable property purchased with federal funding was adequately managed and documented. In addition, we found approximately \$102,860 worth of camera equipment, which was to provide local video surveillance viewed in real time, not being used.¹⁴ Without adequate written property management policies and procedures in place, Trenton did not inventory the 18 ShotSpotter sensors and was also unable to account for \$3,116 of accountable property purchased with grant funding, including laptops that Trenton was unaware were missing.

Therefore, we recommend that OJP ensure Trenton establishes and implements policies and procedures for the acquisition, inventory, chain of custody, and disposal of accountable property including the documentation of accountable property purchased with federal funding. We also recommend OJP ensure Trenton includes managing and documenting accountable property purchased in the sub-grantee monitoring procedures. In addition, we recommend OJP ensure Trenton remedies the \$3,116 of accountable property that was missing.

Budget Management and Control

We found that Trenton's expenditures were within the allowable 10 percent deviation allowance for the YouthStat Phase I, the Recovery JAG, and the ShotSpotter grants. The YouthStat Phase II and YouthStat Phase III grants were still in progress at the time of our audit and based on the expenditures incurred, Trenton remained within the approved allowance for each of the grants. According to the OJP Financial Guide, grantees are permitted to reallocate dollar amounts among the approved budget categories. Any movement of funds between approved budget categories in excess of 10 percent of the total award and any transfer of funds to another cost category not including in the original budget must receive prior approval.

However, during our review of the internal accounting system budget for the YouthStat Phase II grant, we noticed there was \$52,987 budgeted in a cost category labeled as "Other." Within the approved OJP budget, there was no amount budgeted associated with the "Other" cost category. As of November 2013, Trenton had not expended any funds from this budgeted cost category. We informed Trenton of this potential violation, and Trenton's Chief Financial Officer explained the budgeted amount would be moved back to the originally approved OJP budget category.

¹⁴ According to the Recovery Act Program Manager, the camera equipment was not in use because the equipment is installed based on crime trend and hotspots.

Reporting

Federal Financial Reports

The financial aspect of OJP grants are monitored through Federal Financial Reports (FFRs).¹⁵ FFRs summarize, federal monies spent, unliquidated obligations incurred, and unobligated balances of federal funds for each calendar quarter. According to the OJP Financial Guide, FFRs should be submitted within 30 days of the end of the most recent quarterly reporting period and the final report must be submitted within 90 days following the end of the grant period. For periods when there have been no program outlays, a report to that effect must be submitted. Funds or future awards will be withheld if reports are not submitted or are delinquent.

We determined that Trenton was required to submit a total of 83 FFRs related to the 5 grants audited, which covered financial activity between September 2008 and December 2013. As shown below, we found that 59 FFRs, or 71 percent of the total required FFRs, filed by Trenton were not submitted or were not filed timely. The late FFRs ranged from 1 to 492 days late.

SUMMARY OF FEDERAL FINANCIAL REPORTS TIMELINESS REPORTING VERIFICATION

GRANT	Reports Not Filed Or Filed Late	Reports Required to be Filed
YouthStat Phase I	12	20
Recovery JAG	15	18
YouthStat Phase II	12	18
ShotSpotter	11	13
YouthStat Phase III	9	14
Total	59	83

Source: OJP

For the five grants audited, a Trenton official told us the FFRs were completed using quarterly expense reports from its accounting system. We also tested each FFR for accuracy by comparing the expenditures reported on the FFRs to Trenton's accounting system. We found the FFRs were not always accurate. As of March 31, 2013, the FFR for the Recovery JAG grant reported \$111,459 fewer expenses than the cumulative charges recorded in the accounting records.

¹⁵ Effective for the quarter beginning October 1, 2009, grant recipients must report expenditures online using the Federal Financial Report (FFR-425) Form no later than 30 days after the end of each calendar quarter. The final report must be submitted no later than 90 days following the end of the grant period. These reports are no longer called Financial Status Reports.

In addition, as of January 31, 2014, Trenton had failed to file its two final reports for the Recovery JAG grant.

We were told the procedures that were used to complete the FFRs were not shared when the sole Trenton employee responsible for completing the FFRs took a leave of absence. Therefore, in our opinion, because Trenton failed to establish policies and procedures and Trenton staff was not properly trained in grant reporting requirements this inaccuracies occurred. Inaccurate reporting compromises OJP's ability to monitor grant funds and increases the risk that funding will be subject to fraud, waste, and abuse.

Progress Reports

Progress reports provide information relevant to the performance of a grant and the accomplishment of objectives set forth in the approved award. The OJP Financial Guide requires that reports be submitted twice yearly, within 30 days after the end of the reporting periods of June 30 and December 31, for the life of the award. In addition, the OJP Financial Guide requires an annual progress report to be submitted to OJP for Recovery JAG grants. The reporting period covered October 1 through September 30, and OJP established the reports be due no later than November 29 of each year. The Recovery JAG grant has additional reporting requirements to comply with the Recovery Act, which will be discussed in a separate section. As with the financial reports, funds or future awards will be withheld if reports are not submitted or are delinquent.

We attempted to review 19 progress reports. We found that 13 reports had not been submitted. To measure the accuracy and completeness of the progress reports for the five grants, we tested the progress reports for the last 2 years but expanded beyond that period if we found that those reports had not been submitted. We found that two reports did not contain the required elements and four reports contained inaccuracies. In addition, Trenton did not always maintain documentation to support the reported program accomplishments. The following table summarizes the progress report verification and testing.

**PROGRESS REPORTS VERIFICATION OF ACCURACY
AND REQUIRED ELEMENTS**

GRANT	NUMBER OF REPORTS:			
	Due	Missing Required Reporting Elements	Inaccurate	Not Submitted
YouthStat Phase I	4	2	2	0
Recovery JAG	3	0	2	1
YouthStat Phase II	4	NA	NA	4
ShotSpotter	4	NA	NA	4
YouthStat Phase III	4	NA	NA	4
Total	19	2	4	13

Sources: OJP and City of Trenton

In addition to the lack of written policies and procedures and adequate supervision, the layoffs that occurred in Trenton, as described in the earlier section, resulted in staff shortages. As a result, the progress reports were not rated as a high priority. For those reports submitted, we were unable to verify the accuracy of certain information contained in the progress reports submitted. Missing and inaccurate reporting compromises OJP's ability to determine whether the grants are meeting intended goals and objectives in a timely fashion.

Recovery Act Reports

In addition to the standard reporting requirements, grantees receiving Recovery Act funding must submit quarterly reports, which require both financial and programmatic data. The OJP Financial Guide requires recipients to submit their reporting data through FederalReporting.gov, an online web portal that collects all the reports. Recipients must enter their data no later than the 10th of the month after each quarter beginning September 30, 2009.

Trenton was responsible for submitting 16 reports from the grant award acceptance date through May 2013, the grant end date. Trenton did not submit the first required Recovery Act report for quarter ending September 2009. In addition, Trenton submitted 6 of the remaining 15 reports late. The late reports ranged from 1 to 53 days late.

We also reviewed four Recovery Act reports for accuracy and completeness and found that the four reports contained inaccuracies. In addition, we noted that several statements were merely restatements from previous reports. For example, we noted that Trenton never reported an amount for the "Total Federal Amount ARRA Funds Received/Invoiced" even though funds had been received and invoiced. Trenton also inaccurately reported the period when sub-grantees had been reimbursed.

Within the Recovery JAG award documentation, Trenton had planned to create and fill five positions but was unable to do so due to budget constraints. We found Trenton created less than one full time Recovery Act funded job. However, we found Trenton did not correctly calculate the actual number of jobs created. We discuss the staffing issue in more detail in the Program Performance and Accomplishments section of this report.

According to the Recovery JAG Program Manager, Recovery Act reports were submitted late due to the filings being assessed a low priority due to the added responsibilities after the Trenton layoffs. In addition, we believe the lack of policies and procedures contributed to the late and inaccurate Recovery Act Reports. Without timely reporting, OJP cannot be sure that funds are being used to fulfill program and Recovery Act goals.

In summary, the financial, progress, and Recovery Act reports submitted by Trenton were not submitted or not submitted timely and contained errors. We therefore recommend that OJP: (1) ensure Trenton implements and adheres to policies and procedures to ensure FFRs are based on accurate information and submitted timely; (2) ensure Trenton implements and adheres to policies and procedures to ensure progress reports are based on accurate information and submitted timely; and (3) ensure Trenton implements and adheres to policies and procedures to ensure the Recovery reports are based on accurate information and submitted timely.

Program Performance and Accomplishments

To determine whether Trenton achieved the grants' objectives and to assess the performance and grant accomplishments we reviewed the goals, objectives, and performance measures for each grant. Where possible we also verified that information with supporting documentation.

YouthStat Grants

We found that Trenton did not meet its YouthStat grant performance objectives. Trenton did not provide dedicated leadership; did not serve the amount of youth described in the grant objective; did not complete the evaluations objective; and could not support how they met their grassroots mentoring program objectives. The three YouthStat grants awarded to Trenton totaled \$1,370,589. However, due to the ongoing status of the YouthStat grants, as of November 2013, Trenton has only expended \$403,421, or 29 percent of all YouthStat grant funds. Originally, the YouthStat grants were staggered and grant funding was planned for 3 phases. However, due to delays with YouthStat Phase I, the remaining phases are overlapped and are both scheduled to end in June 2014. As of January 2014, Phase I had ended and Trenton had not begun any YouthStat Phase III activities since Phase II was still ongoing. Therefore, we reviewed the YouthStat Phase I grant objectives, performance and grant accomplishments to determine whether Trenton accomplished those objectives and goals. We also reviewed YouthStat

Phase II objectives and goals. However, we did not evaluate them due to the on-going status of the grant.

The goal of the YouthStat Phase I grant was to improve the capacity and increase the effectiveness of those organizations participating in YouthStat that are charged with providing interventions to Trenton juveniles identified as gang involved, at high risk for gang involvement, or reentering the community after detention.

During our evaluation, we found Trenton did not meet the following YouthStat Phase I program objectives or goals, which also associated with the on-going YouthStat Phase II grant objectives and goals.

(1) Objective: To enhance YouthStat programming through dedicated and consistent leadership and administration. Trenton had not met this objective because the YouthStat's leadership had not been consistent in that the YouthStat coordinator's position was vacant for almost 2 years due to problems in awarding the contract. Without consistent leadership, Trenton cannot ensure that the at-risk juveniles are receiving the appropriate services that may help prevent escalating criminal behavior. However, as of September 2013, a part-time YouthStat coordinator was hired for and funded by the YouthStat Phase II grant.

(2) Objective: To improve tracking and delivery of services for juveniles served through YouthStat. Trenton had not met this objective because, according to Trenton staff, YouthStat served only 113 of the planned 300 juveniles in the first 3 years. In addition, Trenton could not provide documentation to support the number of juveniles served. Based on our judgment, the inability to serve the 300 juveniles is due to the previously noted lack of a program coordinator for almost 2 years. With the new part time YouthStat coordinator, YouthStat Phase II should be able to restart weekly meetings and increase the juveniles served in the greater Trenton area.

(3) Objective: To implement a technology solution that allows program participants to utilize a comprehensive suite of tools designed to assist in the coordination of services, track activities, and measure effectiveness. According to the Trenton's Staff, the original plan was to have each partnering agency provide, through a web-based system, updates on cases to which they were providing service. Trenton had planned on training partnering agency representatives and to purchase the necessary equipment. Unfortunately, due to privacy concerns, partnering agencies' representatives were not permitted to enter data on their clients into a third party system. The new plan was to collect updated information from each partner at the weekly meetings and have a "scribe" input the data after the meeting. Toward the end of Phase I, Trenton developed a web-based database to track all open and new YouthStat cases.

(4) Objective: To complete an independent third party evaluation measuring the effectiveness of the City's system-wide method for delivering intervention programs. Trenton had not met this objective. A Trenton official stated that the

contract for the grassroots mentoring organization was awarded and executed during a period when there was no program coordinator and the program was never critically analyzed. Therefore, Trenton is unable to verify the effectiveness of the YouthStat mentoring program.

Without independent reviews, Trenton cannot ensure that YouthStat is operating as planned. For the remaining YouthStat grants, we recommend Trenton conduct the program evaluations as planned and provided for in the grant budget.

(5) The remaining objectives relate to YouthStat's grassroots mentoring program. Trenton could also not provide documentation to support how it met the performance measures for the following program objectives related to the grassroots mentoring program: to increase parental involvement; to partner with grassroots organizations committed to improving outcomes for youth; and to increase positive community attachment. Without adequate documentation, OJP cannot be sure that YouthStat is meeting its goal and objectives.

Recovery JAG Grant

The goal of the Recovery JAG grant was to enhance technologies that exist in Mercer County and regionalize communication between the individual police departments through the purchase of technology and equipment. Therefore, there were three planned major deliverables for the Recovery JAG grant: (1) successful hiring of a full complement of trained staff; (2) purchasing of new equipment; and (3) quarterly reporting on the major deliverables.

Overall, Trenton did not hire a full complement of trained staff. Trenton was to contract the services of (1) two intelligence analysts; (2) a crime control analyst; (3) a firearms forensic expert; and (4) a project coordinator. The crime control analyst was contracted for 1 year and, in September 2011, the Trenton Police Department laid off over 100 police officers. As a result, the Trenton Police Department could not effectively utilize the information provided by the crime control analyst due to the severely limited work force. Trenton never contracted any of the other positions.

Trenton and the sub-grantees purchased equipment (including in-car digital video recorders, police vehicles, and LED monitors). Except as noted in the Expenditures section, we found no evidence that Trenton had not satisfied this deliverable.

As discussed above in the Reporting section, Trenton has submitted reports late, failed to submit reports, submitted reports with inaccuracies, and failed to provide supporting documentation to verify information provided in progress reports. Trenton did not meet this deliverable.

ShotSpotter

The goal of the ShotSpotter program was to improve and increase the effectiveness of the Trenton Police Department's response to shootings through the use of the ShotSpotter equipment. The application stated that the implementation of ShotSpotter also should curb violent crime, specifically crimes related to guns and gunfire.

As previously presented in this report, the grant award period for the grant that funded Trenton's ShotSpotter program ran from September 2009 through March 2013. We reviewed documentation demonstrating that ShotSpotter was operational for 79 percent of that grant period. However, we determined that in July 2013, 4 months after the grant period ended, the ShotSpotter program was not operational due to an equipment malfunction. As of July 2014, we were informed by Trenton officials that it was still not operational, but Trenton was in the process of obtaining approval to obtain other funding to repair and continue the use of ShotSpotter.

Because Trenton failed to submit progress reports for the last 3 years of the program we could not determine if the goal of this project through the use of the ShotSpotter was met during the entire grant period.

Grant Performance Summary

In summary, Trenton did not fully achieve the grants' objectives or goals based on the supporting documentation and evaluation of the grants' objectives and goals. As a result we recommend that Trenton conducts the program evaluations as planned and provided for in the grant budget, and coordinate approval for any deviations with OJP.

Compliance with Award Special Conditions

Award special conditions are included in the terms and conditions for each grant award and are provided in the accompanying award documentation. The special conditions may include special provisions unique to the award. We reviewed the special conditions found in the award documents and the accompanying adjustment notices for the five grants to determine if Trenton complied with the terms and conditions of the grants. We found that Trenton did not fully comply with the special conditions of the Recovery JAG grant specific to supplanting and establishing a Recovery Act trust fund account.

Supplanting Analysis

The OJP Financial Guide requires that federal funds be used to supplement existing funds for program activities and not replace those funds that have been appropriated for the same purpose. In addition, the Recovery JAG grant's special conditions state that funds are not to be used to supplant State or local funds. As

previously discussed in the Personnel Expenditures section, salaries totaling \$111,459 for the Recovery JAG Program Manager and the Trenton Assistant Chief Accountant were to be partially paid with Recovery JAG grant funds. However, we determined that the salary portions were not paid with any funding from the grant. Therefore, when Trenton drew down the funding it was transferred back into Trenton's grant reserve funds. Because Trenton did not incur additional expenditures for these salaries and already had funds available in its local budget for those salaries, we conclude this to be supplanting and we question \$111,459 for grant funds used to supplant Trenton budgeted funds.

During FY 2008 through FY 2009, the General Appropriation for Trenton increased while both the Trenton Police Department and the Accounts and Control Division's (the departments of the Recovery JAG Program Manager and the Assistant Chief Accountant, respectively) budgets showed a decrease in their budget. However, it was during FY 2009 when the Recovery JAG grant was awarded to Trenton and during FY 2010 and FY 2011, the Accounts and Control Division budget increased and the Police Department budget remained relatively stable, while the City of Trenton's budget decreased.

We believe the New Jersey state aid and the Trenton personnel layoffs, previously discussed in the Internal Control Environment section of this report supports reasons for the decreases in the budgets that were other than supplanting. However, since the salary allocations for the Recover JAG Program Manager and the Assistant Chief Accountant for FY 2009 and FY 2010 were not charged to the grant until approximately 3 years after the expenditures were incurred and their salaries were funded through local funds as part of the appropriation for FYs 2009 and 2010, we conclude that the Trenton has not satisfied its non-supplanting requirement.

Recovery Act Trust Fund

The Recovery JAG grant contained a special condition that requires the grantee to establish a trust fund account for Recovery JAG funds received. The fund, including any interest, may not be used to pay debts or expenses incurred by other activities beyond the scope of the Recovery JAG Program. We found that Trenton did not use a trust account for Recovery JAG grant funds. Trenton received grant funding and it was deposited into a non-interest earning general fund account and the grants were then tracked in separate accounts within the accounting system. According to Trenton's Chief Financial Officer, because there was no interest earned in the general fund account and the Assistant Chief Accountant did not fully understand the grant requirements there was no trust account established. Without a separate trust fund account, grant funds and any related interest may be commingled with non-JAG grant funds and not utilized to achieve JAG program goals. We recommend that OJP ensure that Trenton develop and implement procedures to use a trust account when required.

Except as noted in the other sections of this audit report, we found no other evidence that Trenton did not comply with the remaining special conditions.

Conclusion

Trenton did not comply with all of the grant requirements we tested. We found that Trenton failed to establish and adhere to policies and procedures for the use and management of federal funds, including: general grant management, drawdowns, accountable property, grant reporting, and monitoring of consultants and contractors. In addition, we determined Trenton's internal controls were inadequate to safeguard federal funds. We also found expenditures charged to the grants that were unallowable, unsupported, and unreasonable.

In addition, we found that Trenton did not adequately monitor the contractors and sub-grantees paid with grant funding, which resulted in unallowable expenses per the approved budget and contract. We also found that Trenton did not file FFRs, Program Reports, or Recovery Act Report timely and the reports contained inaccuracies.

As a result of these weaknesses, we questioned net costs totaling \$253,380 in grant funding that Trenton received.¹⁶ We also make 13 recommendations to improve Trenton's management of OJP grants.

Recommendations

We recommend OJP:

1. Remedy the \$176,915 in unallowable expenditures resulting from:
 - (a) \$560 of unallowable service expenditures paid without following Trenton procurement procedures related to YouthStat Phase I.
 - (b) \$1,294 of unauthorized travel expenditures related to YouthStat Phase I.
 - (c) \$8,616 of unallowable contractor expenses were not approved by OJP related to YouthStat Phase I.
 - (d) \$111,459 of unallowable personnel expenditures cost associated supplanting related to Recovery JAG.
 - (e) \$54,986 of unallowable consultant expenditures per the budget and contract terms related to YouthStat Phase I.

¹⁶ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount. Please refer to Appendix II for the Schedule of Dollar-Related Findings.

2. Remedy the \$128,566 in unsupported expenditures resulting from:
 - (a) \$970 of unsupported travel expenditures paid without proper supporting documentation related to YouthStat Phase I.
 - (b) \$13,021 of unsupported contractor expenses paid with inaccurate time sheets related to YouthStat Phase I.
 - (c) \$111,459 of unsupported personnel expenditures cost associated with personnel due to the lack of time and effort reports and conflict of interest related to Recovery JAG.
 - (d) \$3,116 of missing accountable property that could not be account for related to YouthStat Phase I.
3. Remedy the \$5,502 in unreasonable expenditures resulting from:
 - (a) \$2,228 of unreasonable contractual related expenses related to YouthStat Phase I.
 - (b) \$3,274 of unreasonable contractor expenditures related to YouthStat Phase I.
4. Put to better use \$63,444 resulting from undrawn down funds related to YouthStat Phase I (\$62,450) and Recovery JAG (\$994).
5. Ensure that Trenton establishes appropriate internal controls that include the design and implementation of accounting and financial policies and procedures relating to grant management activities.
6. Ensure that Trenton implements internal controls related to ensuring proper segregation of duties and supervision.
7. Ensure that Trenton staff are adequately trained in the areas of grant management.
8. Ensure that Trenton establishes and adheres to policies and procedures for (1) identifying drawdown amounts and (2) minimizing the time between drawdown and disbursement in accordance with the OJP Financial Guide to reduce excess cash on hand.
9. Ensure that Trenton implements and adheres to policies and procedures that ensure personnel expenditures paid with grant funding are documented as required and are based on actual time and effort reports with timely supervisory review as required by the OJP Financial Guide.
10. Ensure that Trenton implements policies and procedures for monitoring contractor quality and performance.

11. Ensure Trenton revises the sub-grantee monitoring policy to document the evaluation and all monitoring procedures required by the OJP Financial Guide, including managing and documenting accountable property purchased by the sub-grantees.
12. Ensure that Trenton establishes and implements policies and procedures for the acquisition, inventory, chain of custody, and disposal of accountable property including the documentation of accountable property purchased with federal funding.
13. Ensure that Trenton implements and adheres to policies and procedures to ensure FFRs are based on accurate information and submitted timely.
14. Ensure that Trenton implements and adheres to policies and procedures to ensure Progress Reports are based on accurate information and submitted timely.
15. Ensure that Trenton implements and adheres to policies and procedures to ensure the Recovery Act reports are based on accurate information and submitted timely.
16. Ensure that Trenton conducts the program evaluations as planned and provided for in the grant budget, and coordinate approval for any deviations with OJP.
17. Ensure that Trenton develops and implements procedures to use a trust account when required.

OBJECTIVE, SCOPE, AND METHODOLOGY

The purpose of this audit was to determine whether reimbursements claimed for costs under grant 2008-JL-FX-0502, grant 2009-SB-B9-2413, grant 2009-D1-BX-0189, grant 2009-D1-BX-0190, and grant 2010-DD-BX-0543 were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the awards, and to determine program performance and accomplishments. The objective of the audit was to assess performance in the key areas of grant management that are applicable and appropriate for the grants under review. These areas included: (1) internal control environment; (2) drawdowns; (3) expenditures including personnel costs, consultant, contractual, equipment, supplies, and other; (4) monitoring of contractors and sub-grantees; (5) accountable property; (6) budget management and control; (7) reporting; (8) program performance and accomplishments; and (9) compliance with award special conditions. We determined that indirect costs, matching, and program income were not applicable to these grants.

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. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit concentrated on, but was not limited to, the period beginning July 1, 2008, through January 31, 2014, for all grants. Trenton used the grant funding for three separate projects – the YouthStat Program, the Recovery JAG project, and the installation of ShotSpotter. The YouthStat program consisted of three phases and three grants with the goal to gather service provider stakeholders to customize and implement strategies to address the needs of Trenton’s at-risk youth. The Recovery JAG grant project was to enhance technologies that exist in Mercer County and regionalize communications between the individual police departments throughout Mercer County. Lastly, the ShotSpotter grant was a Congressional Selected award to purchase a ShotSpotter Gunshot Location System to use in the enforcement efforts to curb violent crime.

We conducted fieldwork at the City of Trenton's City Hall and Police Department in Trenton, New Jersey. In addition, we made site visits to the following New Jersey sub-grantee police departments within Mercer County: Hamilton Township, Borough of Princeton, Ewing Township, East Windsor Township, and Lawrence Township.

We tested compliance with what we consider to be the most important conditions of the grant. Unless otherwise stated in our report, the criteria we audit against are contained in the Office of Justice Programs Financial Guide, the Code of Federal Regulations, and grant award documents.

In conducting our audit, we performed testing on requests for award funding. We tested all drawdowns from three of the five grants, which included: nine drawdowns from 2008-JL-FX-0502, five drawdowns from 2009-SB-B9-2413, and two drawdowns from 2009-D1-BX-0190. As of February 2014, Trenton did not request any award funding from the remaining two grants, 2009-D1-BX-0189 and 2010-DD-BX-0543.

In addition, we reviewed the timeliness and accuracy of FFRs and progress reports, and evaluated the performance of the grants in relation to the grant objectives. However, we did not test the reliability of the Trenton's financial management system as a whole.

In conducting our audit, we also performed sample testing for award expenditures and accountable property. In this effort, we employed a judgmental sampling design to obtain exposure to numerous facets of the awards reviewed, such as dollar amounts or expenditure category. We selected a sample of 194 transactions, totaling \$1,093,449. This judgmental sample was not designed to be projected to the population as a whole.

SCHEDULE OF DOLLAR-RELATED FINDINGS

QUESTIONED COSTS: ²⁰	AMOUNT	PAGE
<u>Unallowable Costs</u>		
Consultant Expenditures – Unauthorized by Policy	\$ 560	13
Travel Expenditures – Unauthorized by Contract	1,294	14
Contractor – Unauthorized Expenditures	8,616	14
Personnel – Supplanting	111,459	16
Consultant – Unauthorized by Contract	54,986	19
Total Unallowable Costs	\$176,915	
<u>Unsupported Costs</u>		
Travel Expenditures – Inadequate Documentation	\$ 970	14
Contractor Expenditures – Inaccurate Time Sheets	13,021	14
Personnel – Unreliable Time & Effort, No Approval	111,459	16
Accountable Property – Neglected	3,116	22
Total Unsupported Costs	\$128,566	
<u>Unreasonable Costs</u>		
Contractor Related Expenditures	\$ 2,228	14
Contractor Expenditures	3,274	15
Total Unreasonable Costs	\$ 5,502	
<u>GROSS QUESTIONED COSTS</u>	\$310,983	
<i>Less Duplicative Costs²¹</i>	121,047	
NET QUESTIONED COSTS	\$189,936	
<u>Funds To Better Use:²²</u>		
Awarded Funds Not Drawn Down	\$ 63,444	12
<u>Total Funds To Better Use</u>	\$ 63,444	
TOTAL DOLLAR RELATED FINDINGS	\$ 253,380	

²⁰ Questioned Costs are expenditures that do not comply with legal, regulatory, or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

²¹ Contractor and Personnel expenditures were questioned for more than one reason. Net questioned costs exclude the duplicate amount.

²² Funds to Better Use are future funds that could be used more efficiently if management took actions to implement and complete audit recommendations.

TRENTON, NEW JERSEY RESPONSE TO THE DRAFT AUDIT REPORT



BUSINESS ADMINISTRATOR'S OFFICE

September 25, 2014

Mr. Thomas O. Puerzer
Regional Audit Manager
Philadelphia Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
701 Market Street, Suite 201
Philadelphia, PA 19106

Dear Mr. Puerzer:

RE: City of Trenton Grant Audit Report Response

We have reviewed the draft audit report dated August 14, 2014 concerning the audit of grant numbers 2008-JL-FX-0502, 2009-SB-B9-2413, 2009-D1-BX-0189, 2009-D1-BX-0190, and 2010-DD-BX-05. The City of Trenton does not offer any refutation to the findings as presented in the current draft of the audit.

As noted, however, the lack of personnel was a substantial contributing factor to the various deficiencies found in the audit. As a result, the City of Trenton is currently rightsizing to increase staffing levels in critical areas, including the Department of Finance, in order to address the findings and ensure that in the future adequate monitoring and controls are in place. The City of Trenton requests that, in light of these goals, that the Office of the Inspector General allows for the forgiveness of all or part of the \$134,068 in unreasonable or unsupported expenditures and allows for the reprogramming of the entirety of the \$63,444 in undrawn down funds.

If you have any questions, please feel free to contact me at (609) 989-3807.

Sincerely,

Terry K. McEwen
Business Administrator

319 East State Street
Trenton, New Jersey 08608-1865

Administration (609) 989-3105
Personnel (609) 989-3100
Fax (609) 989-4250

OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

OCT - 7 2014

Washington, D.C. 20531

MEMORANDUM TO: Thomas O. Puerzer
Regional Audit Manager
Philadelphia Regional Audit Office
Office of the Inspector General

FROM:  Jeffery A. Haley 
Acting Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Grants Awarded to Trenton, New Jersey*

This memorandum is in reference to your correspondence, dated August 14, 2014, transmitting the above-referenced draft audit report for the City of Trenton, New Jersey (Trenton). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains 17 recommendations, \$189,936¹ in net questioned costs, and \$63,444 in funds to better use. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

1. **We recommend that OJP remedy the \$176,915 in unallowable expenditures resulting from:**
 - (a) **\$560 of unallowable service expenditures paid without following Trenton procurement procedures related to YouthStat Phase I;**
 - (b) **\$1,294 of unauthorized travel expenditures related to YouthStat Phase I;**
 - (c) **\$8,616 of unallowable contractor expenses were not approved by OJP related to YouthStat Phase I;**
 - (d) **\$111,459 of unallowable personnel expenditures cost associated supplanting related to Recovery JAG; and**

¹ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amounts.

OJP agrees with the recommendation. We will coordinate with Trenton to remedy the \$176,915 in questioned costs charged to grant numbers 2008-JL-FX-0502 and 2009-SB-B9-2413.

2. **We recommend that OJP remedy the \$128,566 in unsupported expenditures resulting from:**
- (a) **\$970 of unsupported travel expenditures paid without proper supporting documentation related to YouthStat Phase I;**
 - (b) **\$13,021 of unsupported contractor expenses paid with inaccurate time sheets related to YouthStat Phase I;**
 - (c) **\$111,459 of unsupported personnel expenditures cost associated with personnel due to the lack of time and effort reports and conflict of interest related to Recovery JAG; and**
 - (d) **\$3,116 of missing accountable property that could not be accounted for related to YouthStat Phase I.**

OJP agrees with the recommendation. We will coordinate with Trenton to remedy the \$128,566 in unsupported expenditures charged to grant numbers 2008-JL-FX-0502 and 2009-SB-B9-2413.

3. **We recommend that OJP remedy the \$5,502 in unreasonable expenditures resulting from:**
- (a) **\$2,228 of unreasonable contractual related expenses related to YouthStat Phase I; and**
 - (b) **\$3,274 of unreasonable contractor expenditures related to YouthStat Phase I.**

OJP agrees with the recommendation. We will coordinate with Trenton to remedy the \$5,502 in questioned costs charged to grant number 2008-JL-FX-0502.

4. **We recommend that OJP put to better use \$63,444 resulting from undrawn down funds related to YouthStat Phase I (\$62,450) and Recovery JAG (\$994).**

We agree with the recommendation. OJP deobligated the undrawn grant funds that had expired for grant numbers 2008-JL-FX-0502 (\$62,450), and 2009-SB-B9-2413 (\$56,676) (see Attachment). The Office of Justice Programs requests closure of this recommendation.

- 5. We recommend that OJP ensure that Trenton establishes appropriate internal controls that include the design and implementation of accounting and financial policies and procedures relating to grant management activities.**

OJP agrees with the recommendation. We will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that internal controls for managing grant activities are adequate.

- 6. We recommend that OJP ensure that Trenton implements internal controls related to ensuring proper segregation of duties and supervision.**

OJP agrees with the recommendation. We will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure proper segregation of duties and supervision over its grants administration functions.

- 7. We recommend that OJP ensure that Trenton staff are adequately trained in the areas of grant management.**

OJP agrees with the recommendation. We will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that periodic training is provided to staff in the areas of grant management.

- 8. We recommend that OJP ensure that Trenton establishes and adheres to policies and procedures for: (1) identifying drawdown amounts and (2) minimizing the time between drawdown and disbursement in accordance with the OJP Financial Guide to reduce excess cash on hand.**

OJP agrees with the recommendation. We will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that: drawdown amounts are based on actual expenditures; and the time between drawdown and disbursement is limited, in accordance with the OJP Financial Guide.

- 9. We recommend that OJP ensure that Trenton implements and adheres to policies and procedures that ensure personnel expenditures paid with grant funding are documented as required and are based on actual time and effort reports with timely supervisory review as required by the OJP Financial Guide.**

OJP agrees with the recommendation. We will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that personnel expenditures paid with Federal funding are approved by the supervisor, and are based on actual time and effort reports, as required by the OJP Financial Guide.

10. **We recommend that OJP ensure that Trenton implements policies and procedures for monitoring contractor quality and performance.**

OJP agrees with the recommendation. We will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that contractors are adequately monitored for quality and performance.

11. **We recommend that OJP ensure that Trenton revises the sub-grantee monitoring policy to document the evaluation, and all monitoring procedures required by the OJP Financial Guide, including managing and documenting accountable property purchased by the sub-grantees.**

OJP agrees with the recommendation. We will coordinate with Trenton to obtain a copy of its revised sub-grantee monitoring policy, to include controls documenting evaluation and monitoring procedures required by the OJP Financial Guide, including managing and documenting accountable property purchased by the sub-grantees.

12. **We recommend that OJP ensure that Trenton establishes and implements policies and procedures for the acquisition, inventory, chain of custody, and disposal of accountable property, including the documentation of accountable property purchased with Federal funding.**

OJP agrees with the recommendation. We will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that accountable property items purchased with Federal funds are properly accounted for and controlled.

13. **We recommend that OJP ensure that Trenton implements and adheres to policies and procedures to ensure Federal Financial Reports are based on accurate information and submitted timely.**

OJP agrees with the recommendation. We will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that future Federal Financial Reports (FFRs) are accurate and timely submitted.

14. **We recommend that OJP ensure that Trenton implements and adheres to policies and procedures to ensure progress reports are based on accurate information and submitted timely.**

OJP agrees with the recommendation. We will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that future progress reports are accurately prepared and timely submitted to OJP.

15. **We recommend that OJP ensure that Trenton implements and adheres to policies and procedures to ensure the Recovery Act reports are based on accurate information and submitted timely.**

OJP agrees with the recommendation. We will coordinate with Trenton to obtain a copy of written policies and procedures implemented to ensure that future Recovery Act reports, if applicable, are accurately prepared and timely submitted.

16. **We recommend that OJP ensure that Trenton conducts the program evaluations as planned and provided for in the grant budget, and coordinate approval for any deviations with OJP.**

OJP agrees with the recommendation. We will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that program evaluations are conducted as planned, and any deviations are approved by OJP.

17. **We recommend that OJP ensure that Trenton develops and implements procedures to use a trust account when required.**

OJP agrees with the recommendation. We will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that a trust fund account is established and used, when required under the grant agreement.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Linda Taylor, Lead Auditor, Audit Coordination Branch, Audit and Review Division, on (202) 514-7270.

Attachment

cc: Linda Taylor
Lead Auditor, Audit Coordination Branch
Audit and Review Division
Office of Audit, Assessment, and Management

Denise O'Donnell
Director
Bureau of Justice Assistance

Tracey Trautman
Deputy Director for Programs
Bureau of Justice Assistance

Eileen Garry
Deputy Director
Bureau of Justice Assistance

cc: Amanda LoCicero
Budget Analyst
Bureau of Justice Assistance

Angela Parker
Grant Program Specialist
Bureau of Justice Assistance

Jennifer Lewis
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Lucy Mungle
Manager, Evaluation and Oversight Branch
Grants Financial Management Division
Office of the Chief Financial Officer

Richard P. Theis
Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

OJP Executive Secretariat
Control Number IT20140818173127

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

The OIG provided a draft of this audit report to the City of Trenton, New Jersey (Trenton) and the Office of Justice Programs (OJP). Trenton's response is incorporated as Appendix III of this final report, and OJP's response is included as Appendix IV. The following provides the OIG's analysis of the responses and summary of actions necessary to close the report.

Analysis of Trenton and OJP Responses

Trenton's response did not address all of the recommendations individually, but in general did not offer any refutation to the findings in the draft audit report. Trenton did note that a lack of personnel was a substantial contributing factor to the deficiencies we found in our audit. In addition, Trenton requested, that in light of its efforts to address the findings, that the OIG allows for the forgiveness of the \$134,068 in unreasonable or unsupported expenditures (Recommendations 2 and 3). Trenton also requested that it be allowed to reprogram the entirety of the \$63,444 in funds that had yet to be drawn down (Recommendation 4). As stated in the draft report, OIG questioned costs may be remedied by OJP through offset, waiver, recovery of funds, or the provision of supporting documentation.

In its response, OJP agreed with all of the recommendations and noted that the funds noted in recommendation 4 have been deobligated as the grants had passed their end date and were no longer active.

Below, we outline the actions necessary to close the recommendations, if needed.

- 1. Remedy the \$176,915 in unallowable expenditures resulting from:**
 - (a) \$560 of unallowable service expenditures paid without following Trenton procurement procedures related to YouthStat Phase I.**
 - (b) \$1,294 of unauthorized travel expenditures related to YouthStat Phase I.**
 - (c) \$8,616 of unallowable contractor expenses were not approved by OJP related to YouthStat Phase I.**
 - (d) \$111,459 of unallowable personnel expenditures cost associated supplanting related to Recovery JAG.**
 - (e) \$54,986 of unallowable consultant expenditures per the budget and contract terms related to YouthStat Phase I.**

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to remedy the \$176,915 in questioned costs charged to grant numbers 2008-JL-FX-0502.

Trenton did not refute the finding and stated that it is currently rightsizing the staffing levels in critical areas to address the findings and ensure that, in the future, adequate monitoring and controls are in place.

This recommendation can be closed when we receive documentation demonstrating that OJP remedied the \$176,915 in unallowable expenditures.

2. Remedy the \$128,566 in unsupported expenditures resulting from:

- (a) \$970 of unsupported travel expenditures paid without proper supporting documentation related to YouthStat Phase I.**
- (b) \$13,021 of unsupported contractor expenses paid with inaccurate time sheets related to YouthStat Phase I.**
- (c) \$111,459 of unsupported personnel expenditures cost associated with personnel due to the lack of time and effort reports and conflict of interest related to Recovery JAG.**
- (d) \$3,116 of missing accountable property that could not be account for related to YouthStat Phase I.**

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to remedy the \$128,566 in unsupported expenditures charged to grant numbers 2008-JL-FX-0502 and 2009-SB-B9-2413.

In its response, Trenton did not refute the unsupported expenditures and reiterated that a lack of personnel was a substantial contributing factor to the deficiencies we found.

This recommendation can be closed when we receive documentation demonstrating that OJP has remedied the \$128,566 in unsupported expenditures.

3. Remedy the \$5,502 in unreasonable expenditures resulting from:

- (a) \$2,228 of unreasonable contractual related expenses related to YouthStat Phase I.**

(b) \$3,274 of unreasonable contractor expenditures related to YouthStat Phase I.

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to remedy the \$5,502 in questioned costs charged to grant number 2008-JL-FX-0502.

Trenton did not refute the unreasonable expenditures and reiterated that the lack of personnel was a substantial contributing factor to the deficiencies we found.

This recommendation can be closed when we receive documentation demonstrating that OJP has remedied the \$5,502 in unreasonable expenditures.

4. Put to better use \$63,444 resulting from undrawn down funds related to YouthStat Phase I (\$62,450) and Recovery JAG (\$994).

Closed. In its response, OJP agreed with the recommendation and stated that it had deobligated the remaining grant funds that had expired for grant numbers 2008-JL-FX-0502 (\$62,450) and 2009-SB-B9-2413 (\$56,676). The funds for grant 2009-SB-B9-2413 included \$55,682 in unspent grant funds which Trenton had previously refunded to OJP in March 2014. As a result, OJP requested closure of this recommendation.

Trenton did not refute the finding in its response, but requested that the \$63,444 in undrawn funds be reprogrammed. As noted above, these grants have passed the grant expiration date.

Based on actions taken by OJP to deobligate the funds, this recommendation is closed.

5. Ensure that Trenton establishes appropriate internal controls that include the design and implementation of accounting and financial policies and procedures relating to grant management activities.

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that internal controls for managing grant activities are adequate.

In its response, Trenton did not refute the finding and stated that staffing levels are currently being corrected in critical areas to address the findings and ensure that, in the future, adequate monitoring and controls are in place.

This recommendation can be closed when we receive documentation demonstrating that Trenton has established appropriate internal controls

that include the design and implementation of accounting and financial policies and procedures relating to grant management activities.

6. Ensure that Trenton implements internal controls related to ensuring proper segregation of duties and supervision.

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure proper segregation of duties and supervision over its grants administration functions.

Trenton did not refute the finding in its response, and stated that it is currently rightsizing the staffing levels in critical areas to address the findings and ensure that in the future adequate monitoring and controls are in place.

This recommendation can be closed when we receive documentation demonstrating that Trenton has implemented internal controls related to ensuring proper segregation of duties and supervision.

7. Ensure that Trenton staff are adequately trained in the areas of grant management.

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that periodic training is provided to staff in the areas of grant management.

In its response, Trenton did not refute the finding and stated that it is currently rightsizing the staffing levels in critical areas to address the findings and ensure that in the future adequate monitoring and controls are in place.

This recommendation can be closed when we receive documentation demonstrating that Trenton staff are adequately trained in the areas of grant management.

8. Ensure that Trenton establishes and adheres to policies and procedures for (1) identifying drawdown amounts and (2) minimizing the time between drawdown and disbursement in accordance with the OJP Financial Guide to reduce excess cash on hand.

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that: drawdown amounts are based on actual expenditures; and the time between drawdown and disbursement is limited, in accordance with the OJP Financial Guide.

Trenton did not refute the finding in its response, and stated that it is currently rightsizing the staffing levels in critical areas to address the findings and ensure that in the future adequate monitoring and controls are in place.

This recommendation can be closed when we receive documentation demonstrating that Trenton has established and is adhering to policies and procedures for (1) identifying drawdown amounts and (2) minimizing the time between drawdown and disbursement in accordance with the OJP Financial Guide to reduce excess cash on hand.

9. Ensure that Trenton implements and adheres to policies and procedures that ensure personnel expenditures paid with grant funding are documented as required and are based on actual time and effort reports with timely supervisory review as required by the OJP Financial Guide.

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that personnel expenditures paid with Federal funding are approved by the supervisor, and are based on actual time and effort reports, as required by the OJP Financial Guide.

In its response, Trenton did not refute the finding and stated that it is currently rightsizing the staffing levels in critical areas to address the findings and ensure that in the future adequate monitoring and controls are in place.

This recommendation can be closed when we receive documentation demonstrating that Trenton has implemented and is adhering to policies and procedures that ensure personnel expenditures paid with grant funding are documented as required and are based on actual time and effort reports with timely supervisory review as required by the OJP Financial Guide.

10. Ensure that Trenton implements policies and procedures for monitoring contractor quality and performance.

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that contractors are adequately monitored for quality and performance.

Trenton did not refute the finding in its response, and stated that it is currently rightsizing the staffing levels in critical areas to address the findings and ensure that, in the future, adequate monitoring and controls are in place.

This recommendation can be closed when we receive documentation demonstrating that Trenton has implemented policies and procedures for monitoring contractor quality and performance.

11. Ensure Trenton revises the sub-grantee monitoring policy to document the evaluation and all monitoring procedures required by the OJP Financial Guide, including managing and documenting accountable property purchased by the sub-grantees.

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to obtain a copy of its revised sub-grantee monitoring policy, to include controls documenting evaluation and monitoring procedures required by the OJP Financial Guide, including managing and documenting accountable property purchased by sub-grantees.

Trenton did not refute the finding in its response and stated that it is currently rightsizing the staffing levels in critical areas to address the findings and ensure that, in the future, adequate monitoring and controls are in place.

This recommendation can be closed when we receive documentation demonstrating that Trenton has revised the sub-grantee monitoring policy to document the evaluation and all monitoring procedures required by the OJP Financial Guide, including managing and documenting accountable property purchased by the sub-grantees.

12. Ensure that Trenton establishes and implements policies and procedures for the acquisition, inventory, chain of custody, and disposal of accountable property including the documentation of accountable property purchased with federal funding.

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that accountable property items purchased with Federal funds are properly accounted for and controlled.

In its response, Trenton did not refute the finding and stated that it is currently rightsizing the staffing levels in critical areas to address the findings and ensure that in the future adequate monitoring and controls are in place.

This recommendation can be closed when we receive documentation demonstrating that Trenton has established and implemented policies and procedures for the acquisition, inventory, chain of custody, and disposal of

accountable property including the documentation of accountable property purchased with federal funding.

13. Ensure that Trenton implements and adheres to policies and procedures to ensure FFRs are based on accurate information and submitted timely.

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that future Federal Financial Reports (FFRs) are accurate and submitted timely.

In its response, Trenton did not refute the finding and stated that it is currently rightsizing the staffing levels in critical areas to address the findings and ensure that in the future adequate monitoring and controls are in place.

This recommendation can be closed when we receive documentation demonstrating that Trenton has implemented and is adhering to policies and procedures to ensure FFRs are based on accurate information and submitted timely.

14. We recommend OJP ensure that Trenton implements and adheres to policies and procedures to ensure Progress Reports are based on accurate information and submitted timely.

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that future progress reports are accurately prepared and timely submitted to OJP.

Trenton did not refute the finding in its response and stated that it is currently rightsizing the staffing levels in critical areas to address the findings and ensure that in the future adequate monitoring and controls are in place.

This recommendation can be closed when we receive documentation demonstrating that Trenton has implemented and is adhering to policies and procedures to ensure Progress Reports are based on accurate information and submitted timely.

15. Ensure that Trenton implements and adheres to policies and procedures to ensure the Recovery Act reports are based on accurate information and submitted timely.

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to obtain a copy of written policies and

procedures, developed and implemented, to ensure that future Recovery Act reports, if applicable, are accurately prepared and timely submitted.

In its response, Trenton did not refute the finding and stated that it is currently rightsizing the staffing levels in critical areas to address the findings and ensure that in the future adequate monitoring and controls are in place.

This recommendation can be closed when we receive documentation demonstrating that Trenton has implemented and is adhering to policies and procedures to ensure Recovery Act reports are based on accurate information and submitted timely.

16. Ensure that Trenton conducts the program evaluations as planned and provided for in the grant budget, and coordinate approval for any deviations with OJP.

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that program evaluations are conducted as planned, and any deviations are approved by OJP.

Trenton did not refute the finding in its response and stated that it is currently rightsizing the staffing levels in critical areas to address the findings and ensure that in the future adequate monitoring and controls are in place.

This recommendation can be closed when we receive documentation demonstrating that Trenton has conducted the program evaluations as planned and provided for in the grant budget, and coordinated approval for any deviations with OJP.

17. Ensure that Trenton develops and implements procedures to use a trust account when required.

Resolved. In its response, OJP agreed with the recommendation and stated it will coordinate with Trenton to obtain a copy of written policies and procedures, developed and implemented, to ensure that a trust fund account is established and used, when required under the grant agreement.

In its response, Trenton did not refute the finding and stated that it is currently rightsizing the staffing levels in critical areas to address the findings and ensure that in the future adequate monitoring and controls are in place.

This recommendation can be closed when we receive documentation demonstrating that Trenton has developed and implemented procedures to use a trust account when required.

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