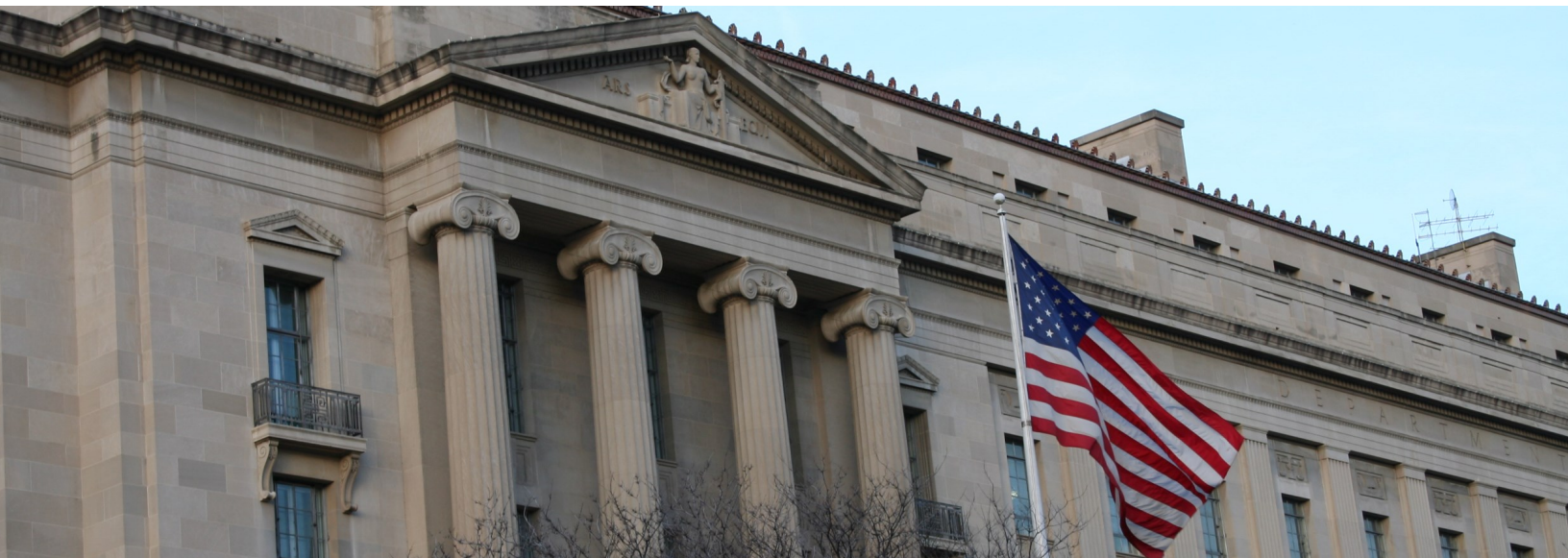




# **Office of the Inspector General**

## **U.S. Department of Justice**

**OVERSIGHT ★ INTEGRITY ★ GUIDANCE**



# **Audit of the Office of Justice Programs Awards to the Research Foundation of the City University of New York, New York, New York**



# Executive Summary

*Audit of the Office of Justice Programs Awards to the Research Foundation of the City University of New York*

## Objectives

The Office of Justice Programs (OJP) awarded the Research Foundation of the City University of New York (RFCUNY), on behalf of John Jay College of Criminal Justice (John Jay), three awards totaling \$7,449,929 for various programs through the Bureau of Justice Assistance, Office of Juvenile Justice Delinquency Programs, and National Institute of Justice. The objectives of this audit were to determine whether costs claimed under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether John Jay demonstrated adequate progress towards achieving program goals and objectives.

## Results in Brief

As a result of our audit, we concluded that John Jay demonstrated adequate progress toward achieving the awards' stated goals and objectives. This audit did not identify significant concerns regarding RFCUNY and John Jay's financial management, financial reporting, progress reports, subrecipient monitoring, indirect costs, and management of award budgets. However, we identified issues related to expenditures made with award funds, including: (1) personnel and fringe benefits, (2) contractual, (3) supplies, and (4) conferences. We also identified \$146,575 in questioned costs related to consultant fees that we were unable to determine were reasonable.

## Recommendations

Our report contains 10 recommendations to OJP to assist RFCUNY and John Jay in improving its award management and administration. We requested a response to our draft audit report from the OJP and RFCUNY, which can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5.

## Audit Results

The purposes of the three awards we reviewed were to conduct research related to group violence and drug market intervention strategies, procedural justice, implicit bias, racial reconciliation, and school shootings. The project period for the awards was from October 2012 through March 2019, and \$4,356,546 had been drawn down as of December 2017.

**Program Goals and Accomplishments** – We concluded that John Jay achieved the goals and objectives of Award Number 2012-MU-MU-K014 and demonstrated adequate progress for Award Numbers 2014-MU-MU-K051 and 2016-CK-BX-0013.

**Personnel Expenditures** – We found that the Principal Investigator informally delegated timesheet approval authority to subordinates without following John Jay policies for such delegations. John Jay officials explained that the delegated employees were best positioned to verify the time of other employees.

**Supply Expenditures** – We determined that the property management records for equipment purchased with award funds were inaccurate, and a physical inventory of award-funded equipment had not been completed or was only conducted when documentation for this audit was requested.

**Contracts** – We found that required conflict of interest forms were not completed, and consultants performed work prior to all parties signing a written contract. While consultants were selected through noncompetitive ("sole source") procurement, John Jay's required written sole source justification did not include a required determination that the consultant fees were reasonable. Also, the consultant invoices lacked sufficient detail and supporting documentation to determine the hourly or daily rate paid by John Jay. Consequently, we question \$146,575 in consultant costs that we were unable to determine were reasonable.

**Conference Expenditures** – We determined that John Jay did not request required prior approval to conduct conferences and did not submit required post event reports timely. Additionally, we were unable to determine if the actual costs reported on required post event reports were accurate.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS  
AWARDS TO THE RESEARCH FOUNDATION OF  
THE CITY UNIVERSITY OF NEW YORK  
NEW YORK, NEW YORK**

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**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS  
AWARDS TO THE RESEARCH FOUNDATION OF  
THE CITY UNIVERSITY OF NEW YORK  
NEW YORK, NEW YORK**

**INTRODUCTION**

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of two cooperative agreements and one grant awarded by the Office of Justice Programs' (OJP) Bureau of Justice Assistance (BJA), Office of Juvenile Justice Delinquency Programs (OJJDP), and National Institute of Justice (NIJ) to the Research Foundation of the City University of New York (RFCUNY) in New York, New York. The awards to RFCUNY totaled \$7,449,929, as shown in Table 1.

**Table 1**

**Research Foundation of the City University of New York Awards**

<b>Award Number</b>	<b>Program Office</b>	<b>Award Date</b>	<b>Project Period Start Date</b>	<b>Project Period End Date</b>	<b>Award Amount</b>
2012-MU-MU-K014	BJA	9/6/2012	10/1/2012	10/31/2017	\$1,000,000
2014-MU-MU-K051	OJJDP	9/16/2014	9/1/2014	3/31/2019	5,750,000
2016-CK-BX-0013	NIJ	9/14/2016	1/1/2017	12/31/2018	699,929
<b>Total:</b>					<b>\$7,449,929</b>

Source: OJP Grant Management System (GMS)

The BJA Law Enforcement Program provided funding through Award Number 2012-MU-MU-K014 to support jurisdictions around the country that implemented either the group violence reduction strategy known as "Operation Ceasefire" or the Drug Market Intervention (DMI) strategy.<sup>1</sup>

The OJJDP National Center for Building Community Trust and Justice: Improving the Justice System by Enhancing Procedural Fairness, Reducing Bias, and Supporting Racial Reconciliation Program provided funding through Award Number 2014-MU-MU-K051. This award was provided to explore, advance, assess, and disseminate information about strategies intended to enhance procedural justice, reduce implicit bias, and support racial reconciliation.

The NIJ Causes and Consequences of School Violence Program provided funding through Award Number 2016-CK-BX-0013. This award was to create a national, open-source database that includes all publicly known shootings that resulted in at least one injury occurring on school grounds, Kindergarten through 12<sup>th</sup> grade, since 1990.

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<sup>1</sup> The DMI strategy identifies drug markets and street drug dealers, as well as arrests violent offenders. DMI works to bring together law enforcement, dealers, and their families in order to make it clear that selling drugs openly must stop and the drug market is closed in the community. This strategy works to improve life for the residents of the community.

## **The Grantee**

RFCUNY was established as a not-for-profit educational corporation to provide support to CUNY faculty in identifying and obtaining external funding opportunities from government and private sponsors. RFCUNY is responsible for the administration of all external funded programs and works with the Grants Offices and Principal Investigators on all CUNY campuses to provide accounting, audit, purchasing, human resources, and reporting services. As of May 2018, RFCUNY was responsible for managing approximately 4,000 sponsored projects for CUNY colleges and professional schools.

The three projects in our audit were awarded to RFCUNY on behalf of John Jay College of Criminal Justice (John Jay), a senior college of CUNY. As of May 2018, over 15,000 attended John Jay, supported by about 1,100 faculty members. The Office of Sponsored Programs at John Jay works to obtain external public and private funding for research, training, curriculum, and program development. It also assists faculty with the development, submission, and management of proposals, and interacts and serves as the liaison with RFCUNY. According to John Jay's most recent Annual Report, it received approximately \$6.5 million in Federal funding through 15 awards during fiscal year (FY) 2017.<sup>2</sup>

## **OIG Audit Approach**

The objectives of this audit were to determine whether costs claimed under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether John Jay demonstrated adequate progress towards achieving program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of award management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

We tested compliance with what we consider to be the most important conditions of the awards. We utilized the 2011 and 2014 OJP Financial Guides, 2015 DOJ Grants Financial Guide, and the award documents as the primary criteria we applied during the audit.<sup>3</sup>

The results of our analysis are discussed in detail later in this report. Appendix 1 contains additional information on this audit's objective, scope, and methodology. The Schedule of Dollar-Related Findings appears in Appendix 2.

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<sup>2</sup> RFCUNY and John Jay's fiscal year begins July 1<sup>st</sup> and ends June 30<sup>th</sup>.

<sup>3</sup> The OJP Financial Guide was replaced by the DOJ Grants Financial Guide for awards made after December 26, 2014. The OJP Financial Guides apply to the two cooperative agreements in our audit, while the DOJ Grants Financial Guide applies to the grant. We refer to the OJP Financial Guides and the DOJ Grants Financial Guide as the Financial Guide throughout this report.

## **AUDIT RESULTS**

### **Program Performance and Accomplishments**

We reviewed required performance reports, award solicitations and award documentation, and interviewed officials from John Jay and OJP to determine whether John Jay demonstrated adequate progress towards achieving the program goals and objectives for Award Numbers 2014-MU-MU-K051 and 2016-CK-BX-0013, and achieved the program goals and objectives for Award Number 2012-MU-MU-K014. We also reviewed a sample of the progress reports to determine if the required reports were accurate.

#### *Program Goals and Objectives*

The goals and objectives for Award Number 2012-MU-MU-K014 were to support jurisdictions around the country that were implementing two strategies to reduce gang violence and eliminate drug markets. To accomplish the goals and objectives of the award, John Jay developed curriculum known as Ceasefire University, and provided training calls for the Group Violence Intervention approach to violence reduction to assist jurisdictions with implementation. Additionally, John Jay project staff held multiple workshops and calls with police chiefs to discuss ongoing issues that were incorporated into the Ceasefire University curriculum. Also, the staff produced a software package available for jurisdictions to perform social network analysis, which assists in analyzing gang networks and members within the network. John Jay also produced guidebooks and other tools for jurisdictions related to Ceasefire University, Group Violence Intervention, and the social network analysis software. Based on our review, we found that John Jay met the goals and objectives of the award.

There are five main goals and objectives for Award Number 2014-MU-MU-K051. These included: (1) establishing pilot sites and test strategies around procedural justice, implicit bias, and racial reconciliation; (2) establishing an information clearinghouse to distribute research findings, policies and practices, and training curricula for building community trust; (3) developing publications and resources to translate evidence for policymakers, practitioners, and public audiences; (4) conducting research to gauge and expand knowledge about procedural justice, implicit bias, and racial reconciliation; and (5) promoting public discourse about the three areas through national meetings and media partnerships. John Jay established six pilot sites that received training related to procedural justice and implicit bias and implemented the Group Violence Intervention approach. The six sites also implemented the reconciliation process developed through this award by John Jay. Additionally, John Jay developed a website that includes materials related to the various areas of the award. Based on our review, we found John Jay demonstrated adequate progress toward achieving the stated goals and objectives of the award.

The goals and objectives for Award Number 2016-CK-BX-0013 were to create a national, open-source database that includes publically known shootings that resulted in at least one injury on school grounds (Kindergarten through 12<sup>th</sup> grade) since 1990. The data collected will be used to accomplish the following three objectives: (1) document the nature of the problem and clarify the types of

shooting incidents occurring in schools, (2) provide comprehensive understanding of the perpetrator involved in the school shootings, and (3) compare fatal shootings to events where only injuries resulted to identify intervention points that can be exploited to reduce harm caused by shootings. John Jay created the required database and identified school shooting incidents and the perpetrators of the events. Based on our review, we found John Jay demonstrated adequate progress towards achieving the stated goals and objectives of the award.

### *Required Performance Reports*

According to the Financial Guide, the funding recipient should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. In order to verify the information in the progress reports, we reviewed 13 performance measures from the 3 awards. We then verified the information reported to supporting documentation maintained by John Jay and did not identify any instances where the accomplishments described in the required reports did not match the supporting documentation.

### *Compliance with Special Conditions*

Special conditions are the terms and conditions that are included with the awards. Given that the awards in our audit were research related, we selected the special conditions that required Privacy Certificates and Institutional Review Board (IRB) approvals.

Recipients of NIJ funding are subject to statutory and regulatory confidentiality requirements that state research identifiable to a private person is immune from legal process and may only be used for research purposes. Recipients of NIJ funding must submit a Privacy Certificate demonstrating that the recipient understands the responsibilities related to protecting the confidentiality of research information.

Additionally, regulations protect human subjects of federally-funded research. The regulations require federally-funded research projects that involve human subjects receive IRB approval. Recipients must submit to OJP documentation of IRB approval that sufficiently demonstrates compliance with the regulations.

Based on our review, we did not identify any instances of John Jay violating the special conditions we reviewed.

### **Award Financial Management**

According to the Financial Guide, all award recipients, and subrecipients, are required to establish and maintain adequate accounting systems and financial records, and to accurately account for funds awarded to them. To assess the RFCUNY's financial management of the awards covered by this audit, we conducted interviews with financial staff, examined policy and procedures, and inspected award documents to determine whether RFCUNY adequately safeguarded the award



funds we audited. We also reviewed RFCUNY's Single Audit Reports for FY 2016 and 2017 to identify internal control weaknesses and significant non-compliance issues related to federal awards. Finally, we performed testing in the areas that were relevant for the management of these awards, as discussed throughout this report. Based on our review, we did not identify significant concerns related to award financial management.

### *Single Audit*

Non-federal entities that receive federal financial assistance are required to comply with the *Single Audit Act of 1984*, as amended. The Single Audit Act requires that recipients of federal funding above a certain threshold receive an annual audit of their financial statements and federal expenditures. Under 2 C.F.R. 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), such entities that expend \$750,000 or more in federal funds within the entity's fiscal year must have a "single audit" performed annually covering all federal funds expended that year.<sup>4</sup>

We reviewed RFCUNY's two most recent Single Audit Reports and found that the amounts reported for each award were accurate and the reports did not contain any audit findings. We also found that the Single Audit Reports were submitted timely.

### **Award Expenditures**

For the three awards, RFCUNY's approved budget included the following categories: personnel, fringe, travel, supplies, contractual (consultants and subawards), and indirect charges. Between October 1, 2012, and December 31, 2017, RFCUNY spent \$4,738,426 as shown in Table 2.

**Table 2**  
**Total Award Expenditures**

<b>Budget Category</b>	<b>Award Number 2012-MU-MU-K014</b>	<b>Award Number 2014-MU-MU-K051</b>	<b>Award Number 2016-BK-CX-0013</b>	<b>Total</b>
Personnel	\$497,355	\$596,696	\$48,718	\$1,142,769
Fringe	188,862	226,056	12,066	426,984
Travel	35,730	281,544	-	317,274
Supplies	32,339	21,463	-	53,802
Contractual	72,275	1,494,528	72,493	1,639,296
Indirect	170,762	571,813	42,244	784,819
Non-Federal Share <sup>a</sup>	-	373,482	-	373,482
<b>Total</b>	<b>\$997,323</b>	<b>\$3,565,582</b>	<b>\$175,521</b>	<b>\$4,738,426</b>

<sup>a</sup> Non-Federal Share refers to the portion of project costs not paid by Federal funds. For Award Number 2014-MU-MU-K051, the Non-Federal share is cost sharing not a required matching of funds.

Source: RFCUNY accounting records

<sup>4</sup> On December 26, 2014, the Uniform Guidance superseded OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organization. Under OMB Circular A-133, which affected all audits of fiscal years beginning before December 26, 2014, the audit threshold was \$500,000.

To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions. We reviewed documentation, accounting records, and performed verification testing related to award expenditures. Based on this testing, we recommend that OJP remedy \$146,575 in questioned costs as described in the following sections.

### *Personnel and Fringe Costs*

To complete our review of personnel and fringe costs, we tested \$51,647 in payroll transactions that included salaries and fringe costs paid in 2 judgmentally selected non-consecutive pay periods to John Jay employees. We found that the costs were allowable and properly allocated to the awards.

However, during our review of payroll costs, we found that the process John Jay used for delegating the approval of timekeeping records did not adhere to its policies. Specifically, the timekeeping records of award-funded employees indicated that they were created, certified, and approved by the Principal Investigator responsible for each award, but we determined that they were actually created, certified, and approved by an informally delegated project staff member who accessed the system using the Principal Investigator's user ID and password. We found that the Principal Investigators did not follow the proper procedures for formally delegating the timekeeping duties as required in the RFCUNY Time and Leave User's Guide, which also prohibits sharing system user IDs and passwords. Additionally, we were told that these employees also created, certified, and approved their own timekeeping records.

John Jay officials told us during the audit that the Principal Investigator s informally delegated their timekeeping duties and shared their system user IDs and passwords with project staff not designated in the system as delegated approvers due to large workloads and to save time. Officials explained that these informally delegated employees were best positioned to verify the time that the Principal Investigator's subordinates worked as they worked directly with those subordinates. Also, RFCUNY and John Jay officials told us they were unaware that the proper delegation process was not followed. During our fieldwork, John Jay officials told us that the Principal Investigators changed their passwords and completed the proper procedures to formally delegate timekeeping responsibilities to project staff and the Principal Investigators are now approving the delegated project staff timekeeping records, eliminating the issue of approving their own timekeeping records. Additionally, we were told all staff were provided timekeeping system reminders and training on the proper timekeeping procedures.

We recommend that OJP ensure that John Jay is adhering to the timekeeping system requirements that have been implemented for proper authorization and documentation of timekeeping records for award-funded staff.

### *Travel*

Travel expenses are allowable costs when conducting award-related business as long as the expenses are reasonable and in accordance with a recipient's

established travel policy. If no travel policy exists, a recipient must comply with Federal Travel Regulations. As of December 31, 2017, John Jay charged \$317,325 in travel costs to Award Numbers 2012-MU-MU-K014 and 2014-MU-MU-K051.<sup>5</sup> The travel costs were for conference attendance and site visits to the jurisdictions that implemented the various strategies described in the Program Goals and Objectives section of this report. During our audit, we tested a sample of 35 transactions totaling \$98,992 and determined the costs were allowable, supported, calculated accurately, properly allocated, and necessary to the awards.

### *Supplies*

John Jay included costs for supplies, which included computer equipment, in each of the award budgets. As of December 31, 2017, John Jay charged \$27,259 categorized as supplies to two awards.<sup>6</sup> During our audit, we tested a sample of three transactions for printing of implementation guides and guidebooks provided to jurisdictions totaling \$21,586 from Award Number 2012-MU-MU-K014. We determined the costs were allowable, supported, calculated accurately, and properly allocated to the award.

Additionally, John Jay charged \$26,543 categorized as equipment to the same two awards, as of December 31, 2017.<sup>7</sup> RFCUNY requires any equipment valued over \$5,000 or any item classified as sensitive, such as laptops and iPads, to be tagged and maintained in the property management system. Also, the policy required a physical inventory to be completed annually of these items. We identified 24 items purchased with award funds totaling \$25,193 that were required to be tagged and maintained in the property management system.

In addition to internal policies, the Financial Guide requires that property records be maintained accurately and include information such as a description of the property; source of property, including award number and acquisition date; location and use of property; and serial number. Also, the Financial Guide requires physical inventory be completed at least once every 2 years of property purchased with award funds. We selected 13 pieces of equipment, totaling \$16,641, to test for compliance with the requirements identified above.

During our testing, we found that the equipment purchases were allowable, supported, and properly allocated to the two awards, but the property management records were inaccurate. We found that 11 items had the incorrect project number and 8 items had the wrong location in the property management system.<sup>8</sup> We also found that an annual physical inventory had not been completed for some of the

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<sup>5</sup> This amount is the total of \$11,102 charged to Award Number 2012-MU-MU-K014 and \$164,609 charged to Award Number 2014-MU-MU-K051.

<sup>6</sup> This amount is the total of \$25,546 charged to Award Number 2012-MU-MU-K014 and \$1,713 charged to Award Number 2014-MU-MU-K051.

<sup>7</sup> This amount is the total of \$6,793 charged to Award Number 2012-MU-MU-K014 and \$19,750 charged to Award Number 2014-MU-MU-K051.

<sup>8</sup> RFCUNY assigns a unique project number to every award when established in internal systems.

equipment in our sample. Specifically, we determined that 4 of the 13 items were not scanned for annual physical inventory within the last year as required, and 5 of the 13 items were scanned for inventory during our fieldwork after we inquired as part of this audit. John Jay officials acknowledged these issues and told us that they have new personnel responsible for property management who are working to correct and update the property records.

We recommend that OJP ensure that John Jay update property management records to include accurate and timely information and ensure compliance in the future. Additionally, we recommend that OJP ensure that John Jay perform a physical inventory in accordance with its written policy to comply with requirements.

### *Contractual*

For the three awards in our audit, the contractual budget category contained costs for consultants and subawards. As of December 31, 2017, John Jay charged a total of \$157,518 for consultants and \$1,481,778 for subawards. We reviewed the expenditures for compliance with internal RFCUNY and John Jay policies, the Financial Guide, and other award criteria.

#### Consultants (Contractors)

John Jay acquired personal services through contractual agreements with various consultants to achieve the goals and objectives of the three awards included in our audit. We selected documentation regarding eight consultants to review the procurement process, contract documentation, and a sample of invoices to determine if the costs were allowable, supported, calculated accurately, and properly allocated to the awards.

- **Conflict of Interest**

In accordance with the Financial Guide, CUNY has an established, written policy related to conflict of interest. The policy requires a Principal Investigator to complete a conflict of interest disclosure form when a proposal is submitted, and update the disclosure form annually. During our fieldwork, we found that the Principal Investigator responsible for Award Numbers 2012-MU-MU-K014 and 2014-MU-MU-K051 did not complete the required conflict of interest disclosure forms. John Jay officials told us that the policy is new and adherence to the policy is a work in progress. Additionally, they told us that their disclosure tracking system was enhanced to ensure compliance with conflict of interest requirements and notifying staff when forms are required to be submitted.

We recommend that OJP ensure that John Jay comply with requirements related to conflict of interest from regulations, guidelines, terms and conditions of the awards, and internal policies.

- **Procurement**

According to the Financial Guide, a non-Federal entity using Federal award

funds for procurement transactions must use its own documented procedures. Additionally, all procurement transactions must be conducted using full and open competition consistent with the Uniform Guidance. In certain circumstances, procurement may be conducted through noncompetitive proposals ("sole source" procurement). During our review of John Jay's procurement documentation, we found that all eight consultants in our sample were selected through sole source procurement.

RFCUNY provided us with its written procurement procedures that state a Principal Investigator must provide written justification for a selection made without obtaining competitive bids. The justification should include the following items: (1) details of the process used to select a contractor, (2) the unique area of expertise of the contractor, (3) reasonableness of a contractor's fee, (4) its normal charges, and (5) the specific nature of services to be obtained. We reviewed John Jay's written sole source justification for each consultant and determined that John Jay complied with four of the five sole source procurement requirements for all eight consultants, but did not comply with the requirement to demonstrate that the consultant's fees were reasonable. Also, during our review of procurement documentation, we compared the consultant services to the descriptions included in the OJP approved budget and determined that all eight were included in the approved budget by name or services provided, but John Jay did not include cost reasonableness information in the budget.

John Jay officials told us that each of the consultants selected were experts in the specialized area and wanted to participate in the project, and, therefore, they provided discounted fees to John Jay. However, it is important for John Jay to maintain adequate documentation to support the compensation for its consultants to ensure rates are reasonable and consistent with those paid for similar services in the marketplace.

Because John Jay did not include the reasonableness determination in the sole source justification, we question \$146,575 billed by the eight consultants for services provided because we were unable to determine if the consultants' fees were reasonable.<sup>9</sup>

We recommend that OJP ensure that John Jay adhere to its policy and document in its required written sole source justification the analysis completed to determine the consultant fees were reasonable when obtaining services through noncompetitive ("sole source") procurement.

- **Contract Administration**

Award recipients must maintain oversight to ensure that contractors perform services in accordance with the terms, conditions, and specifications of their contracts. We reviewed the contract documentation for the sampled consultants and found that five of the eight consultants performed work prior to the date the contract was signed. The RFCUNY policy states that services may commence only

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<sup>9</sup> We are only questioning the amounts billed by the consultants, not the entire amount awarded to the eight consultants.

after a written agreement has been signed by all parties. John Jay officials told us that in most cases, consultant services are required immediately and the internal legal review process can take a long time resulting in the consultants beginning work prior to the parties signing the agreement. Award funds are at risk when consultants begin work without fully executed written contracts.

We recommend OJP ensure that John Jay adhere to and monitor compliance with written policies for commencing contract services.

- **Invoicing**

The Financial Guide requires that compensation for consultant services be reasonable and consistent with those paid for similar services in the marketplace and establishes a maximum rate where prior approval is required from OJP when the rate exceeds the maximum.<sup>10</sup> During our audit, we tested a sample of one invoice for each of the eight consultants sampled. Based on our review of the invoices, we were unable to determine the daily or hourly rate paid for six of the eight consultants. The invoices lacked information regarding hours worked as well as any supporting documentation such as time and effort reports. We found that the procurement process documents, written contract, and invoicing instructions did not communicate to the consultants the need to provide a detailed invoice or documentation supporting the hours worked. Also, we were unable to determine if the daily or hourly rate paid would have exceeded the maximum allowable rate, which would have required prior approval from OJP.

According to the Financial Guide, all recipients are required to maintain time and effort reports for consultants. John Jay officials agreed with this issue and told us they would work with the consultants to submit detailed invoices and required supporting documentation. Also, we were unable to determine the hourly or daily rate paid to ensure it did not exceed the OJP maximum allowable rate. As discussed earlier in this report, we questioned all of the costs billed by the eight consultants we reviewed because we were unable to determine if the consultants' fees were reasonable.

We recommend OJP ensure that John Jay implement policies and procedures to obtain information, such as detailed invoices and time and effort reports to: (1) monitor the reasonableness of daily and hourly rates included in consultant billings, and (2) manage compliance with required approvals for sole source consultant rates that exceed limits set by OJP.

#### Subawards

Subawards are made by an award recipient to another organization to perform a portion of work supported by award funding. The award recipient is responsible for monitoring the subrecipient and ensuring all programmatic and financial responsibilities are fulfilled. The Financial Guide requires award recipients to have established, written policies related to subrecipient monitoring, and

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<sup>10</sup> Prior to June 1, 2014, the rate threshold was \$450 per day or \$56.25 per hour and then increased to \$650 per day or \$81.25 per hour.

provides monitoring activities that the award recipient must complete. We found that RFCUNY had an established, written subrecipient monitoring policy with detailed monitoring procedures and that John Jay adhered to its subrecipient monitoring policy to ensure compliance with the Financial Guide and award criteria. In addition, we reviewed John Jay's performance reports that included the subrecipients' required progress reports and determined that the subrecipients were adequately working towards achieving the goals and objectives of the awards.

### *Indirect Costs*

Indirect costs are those costs of an organization that are not readily identifiable to a particular project, but are necessary for the operation of the organization and performance of the project. Non-Federal entities can use an indirect cost rate that was approved by a Federal awarding agency for all Federal awards provided the rate is current and based on an acceptable allocation method. John Jay had an approved indirect cost rate for all three awards in our audit. As of December 31, 2017, John Jay charged \$784,819 in indirect costs to all three awards. We determined that John Jay used the proper approved rate for each award, used a correct indirect base, and calculated the indirect cost allocation accurately.

### *Other – Conferences*

The two cooperative agreements included in our audit funded conferences, which are subject to specific conference-related criteria included in the Financial Guide. Through December 2017, John Jay hosted eight conferences, two funded by Award Number 2012-MU-MU-K014 and six funded by Award Number 2014-MU-MU-K051. The Financial Guide requires recipients of cooperative agreement funds who are conducting conferences to receive prior approval within a required number of days of the event and report actual costs when the total exceeds \$20,000 within 45 days of the event.<sup>11</sup> In addition, no conference-related contracts may be entered into before receiving prior approval from OJP.

During our testing, we verified the dates John Jay requested approval for all eight conferences, as well as the date it submitted the required post event reports. In addition, we verified the date any conference-related contracts were signed by John Jay. We found that for six of the eight conferences, John Jay did not request approval at least 90 days in advance. Also, we determined that seven of the conferences required John Jay to submit post event reports to OJP and had conference-related contracts. We found that four reports were not submitted within 45 days of the event, and that three conferences had contracts signed prior to OJP's conference approval.

John Jay officials told us that conference coordination among the subrecipients was time consuming and sometimes difficult to achieve agreement on a date to hold the conference, causing last minute planning and prior approval

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<sup>11</sup> According to the Financial Guide, all prior approval requests for conferences costing \$100,000 or less must be submitted a minimum of 90 days in advance and 120 days in advance for conferences costing more than \$100,000. All of John Jay's conferences cost less than \$100,000.

requests submitted less than the required 90 days. Also, they told us that OJP provided approvals relatively close to the date of the conference and they entered into contracts with hotels and conference venues prior to receiving approval due to the risk of losing the space, which would put the conference in jeopardy of being cancelled. Additionally, John Jay officials told us that when preparing post event reports, they had to coordinate with the subrecipients and outside attendees to obtain actual expenses incurred for the conferences which delayed submitting reports.

Although we recognize the difficulty in coordinating and planning conferences, including preparing required costs comparisons, John Jay is required to adhere to the OJP's requirement for prior approval, as well as post event reporting. We also understand the challenges of organizing conferences in expensive, popular locations such as New York City, however, entering into contracts for conference-related activities prior to receiving approval by OJP is strictly prohibited.

We recommend OJP ensure that John Jay adheres to requirements and internal policies related to submitting timely requests for conference approvals and post event reporting, as well as entering into conference-related contracts.

In addition to ensuring John Jay adhered to conference reporting requirements, and based on a prior recommendation made during an OJP review, we selected three conferences to determine if the actual costs reported on the post event reports were accurate.<sup>12</sup> Based on the documentation provided by John Jay and RFCUNY, we were unable to determine if post event reports were accurate.

John Jay officials told us that the accounting system records do not include conference costs incurred by the subrecipients. They told us that when a subrecipient submitted an invoice to John Jay for payment, the conference costs were included with all costs billed on the invoice and not identified as conference related. Additionally, John Jay officials told us that when the post event report was prepared, John Jay requested documentation for actual conference costs incurred from the subrecipients. Based on this additional information, we requested the documentation that John Jay received from the subrecipients to prepare post event reports. When provided this documentation, we were still unable to determine if the actual costs reported on the post event reports were accurate. OJP's Office of the Chief Financial Officer closed a recommendation to John Jay in July 2018 regarding its post-event report accuracy. To ensure that future reports are accurate, we recommend that OJP ensure that John Jay maintain documentation to support the actual conference costs reported on post event reports and implement procedures to ensure reports reconcile to documentation.

## **Budget Management and Control**

According to the Financial Guide, award recipients are responsible for

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<sup>12</sup> OJP Office of the Chief Financial Officer performed a Financial Monitoring Desk Review on April 6, 2017, and provided a recommendation to John Jay related to supporting all actual costs on post event report.



establishing and maintaining an adequate accounting system, which includes the ability to compare actual expenditures or outlays with budgeted amounts for each award. Additionally, the award recipient must initiate a Grant Adjustment Notice (GAN) for a budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount.

We compared award expenditures to the approved budgets to determine whether RFCUNY transferred funds among budget categories in excess of 10 percent. We determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent.

## Drawdowns

According to the Financial Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. According to RFCUNY officials, drawdowns were made on a reimbursement basis processed monthly. To assess whether RFCUNY managed award receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records. As of December 31, 2017, RFCUNY requested drawdowns totaling \$4,356,546 from the three awards, as shown in Table 3.

**Table 3**  
**Drawdowns as of December 31, 2017**

<b>Award Number</b>	<b>Award Amount</b>	<b>Drawdowns</b>	<b>Expenses</b>
2012-MU-MU-K014	\$1,000,000	\$988,925	\$997,323
2014-MU-MU-K051	5,750,000	3,192,100	3,565,582
2016-CK-BX-0013	699,929	175,521	175,521
<b>Total</b>	<b>\$7,449,929</b>	<b>\$4,356,546</b>	<b>\$4,738,426</b>

Source: Award documents, RFCUNY accounting records, OJP Payment History Reports

During this audit, we did not identify significant deficiencies related to the recipient's process for developing drawdown requests. For all three awards, expenses were greater than the amounts RFCUNY requested through drawdowns during fieldwork. Also, we determined that RFCUNY complied with cash management requirements and its own internal policy by requesting drawdowns on a reimbursement basis.

## Federal Financial Reports

According to the Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. As of December 31, 2017, RFCUNY submitted 39 Federal Financial Reports (FFR) for all 3 awards. To determine whether RFCUNY submitted accurate FFRs, we compared one report for

each award to RFCUNY's accounting records. Based on our testing, we determined that quarterly and cumulative expenditures for the reports reviewed matched the accounting records. We also determined that the indirect expenses reported were calculated accurately.

## **CONCLUSION AND RECOMMENDATIONS**

As a result of our audit testing, we conclude that John Jay demonstrated adequate progress towards achieving the awards' stated goals and objectives except for several discrepancies or instances of noncompliance. We did not identify significant issues regarding RFCUNY and John Jay's federal financial reports, progress reports, travel costs, subrecipient monitoring, indirect costs, and management of award budgets. However, we found that John Jay did not comply with essential award conditions related to personnel, supplies, contractual requirements, and conferences. We provide 10 recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Ensure that John Jay is adhering to the timekeeping system requirements that have been implemented for proper authorization and documentation of timekeeping records for award-funded staff.
2. Ensure that John Jay update property management records to include accurate and timely information and ensure compliance in the future.
3. Ensure that John Jay perform a physical inventory for award-related equipment in accordance with its written policy to comply with OJP requirements.
4. Ensure that John Jay comply with requirements related to conflict of interest from regulations, guidelines, terms and conditions of the awards, and internal policies.
5. Ensure that John Jay adhere to its policy and document in its required written sole source justification the analysis completed to determine the consultant fees were reasonable when obtaining services through noncompetitive ("sole source") procurement.
6. Remedy \$146,575 in questioned consultant costs that we were unable to determine were reasonable.
7. Ensure that John Jay adhere to and monitor compliance with written policies for commencing contracted services.
8. Ensure that John Jay implement policies and procedures to obtain information, such as detailed invoices and time and effort reports to: (1) monitor the reasonableness of daily and hourly rates included in consultant billings, and (2) manage compliance with required approvals for sole source consultant rates that exceed limits set by OJP.
9. Ensure that John Jay adhere to requirements and internal policies related to submitting timely requests for conference approvals and post event reporting as well as entering into conference-related contracts.

10. Ensure that John Jay maintain documentation to support the actual conference costs reported on post event reports and implement procedures to ensure reports reconcile to documentation.

### **OBJECTIVES, SCOPE, AND METHODOLOGY**

#### **Objectives**

The objectives of this audit were to determine whether costs claimed under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether John Jay demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of award management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

#### **Scope and Methodology**

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

This was an audit of two Office of Justice Programs (OJP) cooperative agreements and one grant awarded to the Research Foundation of the City University of New York (RFCUNY) on behalf of John Jay College of Criminal Justice (John Jay). RFCUNY was awarded \$7,449,929 under Award Numbers 2012-MU-MU-K014, 2014-MU-MU-K051, and 2016-CK-BX-0013 and, as of December 31, 2017, had drawn down \$4,356,546 of the total award funds awarded. Our audit concentrated on, but was not limited to October 1, 2012, the award date for Award Number 2012-MU-MU-K014, through December 31, 2017, the last month prior to our entrance conference. Award Number 2012-MU-MU-K014 ended on October 31, 2017 and Award Numbers 2014-MU-MU-K051 and 2016-CK-BX-0013 were ongoing during our audit.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of RFCUNY and John Jay's activities related to the audited awards. We performed sample-based audit testing for award expenditures including payroll and fringe, supplies, travel, contractual, and conference costs as well as drawdowns, financial reports, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the awards reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The 2011 and 2014 OJP Financial Guide, 2015 DOJ Grants Financial Guide, and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System as well as RFCUNY's accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a

whole, therefore any findings identified involving information from those systems were verified with documentation from other sources.

## APPENDIX 2

### SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Page</u>
<b>Questioned Costs<sup>13</sup>:</b>		
Unsupported Contractual Expenditures	\$146,575	9
<b>TOTAL DOLLAR-RELATED FINDINGS</b>	<b><u>\$146,575</u></b>	

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<sup>13</sup> Questioned Costs are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs can be remedied by offset, waiver, recovery of funds, or provision of supporting documentation.

## APPENDIX 3

### JOHN JAY'S RESPONSE TO THE DRAFT AUDIT REPORT



*Anthony Carpi, PhD  
Associate Provost of Research  
Office for the Advancement of Research  
524 West 59<sup>th</sup> Street  
New York, NY 10019  
212.621.3735  
acarpi@jjay.cuny.edu*

September 13, 2018

Thomas O. Puerzer  
Regional Audit Manager  
Philadelphia Regional Audit Office  
Office of the Inspector General  
U.S. Department of Justice  
701 Market Street, Suite 2300  
Philadelphia, PA 19106

Dear Mr. Puerzer:

We appreciate the opportunity to address the OIG's recommendations related to OJP Award Numbers 2012-MU-MU-K014, 2014-MU-MU-K051, and 2016-CK-BX-0013, and have attached our responses and supporting documentation for your review.

Please feel free to contact me if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony Carpi".

Anthony Carpi  
Associate Provost of Research





#### **RECOMMENDATION #1**

*John Jay concurs with this recommendation*, and we have addressed it to eliminate future occurrences. We have established unique user IDs for each delegate with the appropriate access level to RFCUNY's timesheet system. This enables the delegates, who have direct knowledge of the hours worked by project staff, to approve timesheets directly and on behalf of the PI. The PI remains responsible for approving the delegates' timesheets in order to maintain an approval hierarchy.

John Jay also enlisted the support of RFCUNY to provide mandatory training to all PIs, Authorized Signatories, and Timekeepers at the College. The objective of the training is to provide information on the functionality of the various E-Systems, and to ensure that all authorized users understand their role and responsibilities. Several trainings were conducted on-campus during the Spring 2018 semester and several more are scheduled at RFCUNY for the Fall 2018 semester. *Attachments 1-5* are snippets from the Office of Sponsored Programs' (OSP) monthly newsletter where the upcoming trainings were announced. The newsletter is distributed in print to all academic departments and electronically to our list serve recipients, which includes all active PIs.

OSP also sends email reminders at the end of every bi-weekly pay period reminding PIs to approve timesheets in a timely manner. We have revised this email to include language on the appropriate approval process (*Attachment 6*).

#### **RECOMMENDATION #s 2-3**

*John Jay concurs with these recommendations*, and we are addressing them to eliminate future occurrences. In 2017, the College implemented staff changes and appointed a new Director of Internal Control and Asset Management to reconcile issues identified in the system and to ensure that the procedures outlined in [CUNY's Property Management Manual](#) are followed. *Attachment 7* contains an excerpt from the manual, which details steps the current property management staff follows when tagging items purchased with RFCUNY-administered funds. Reconciliation and data clean-up is an ongoing process, and the property management team is required to complete the College's annual inventory by 12/31/18, but has prioritized scanning of these items. We will provide updated and corrected property management records for items tested during the audit by 9/30/18.

#### **RECOMMENDATION #4**

*John Jay concurs with this recommendation*, and we have addressed it to eliminate future occurrences. The College has obtained disclosures from the PI for Award Numbers 2012-MU-MU-K014 and 2014-MU-MU-K051 and determined that no significant financial interest exists; however, the PI was required to complete CITI training in Conflicts of Interest as a corrective action (*Attachment 8*).

It is important to note that the institution's conflict of interest policy is relatively new in the context of these two awards—particularly 2012-MU-MU-K014, which was funded prior to its announcement and implementation—and so we are working to improve the system in place to ensure compliance. Grants office staff now take a more proactive approach in prompting PIs for disclosure forms. In addition, a grant submission portfolio is now shared with our compliance staff. These staffers prompt PIs at the point of award to assure proper documentation is submitted, and funds are released to the PI only after documentation is received. Over the past few months, this increased diligence has shown to significantly improve our compliance rate. We are also looking for an electronic solution to help remove the possibility of human error from this process. We are also implementing a system that will prompt PIs and compliance staff at the time of annual report submissions, in cases of ongoing projects, to assure ongoing compliance (*Attachment 9*). Finally, we have hired additional staff in our compliance operations, who will allow us to increase overall compliance at the College.

These additional steps will address past oversights, and increase PI awareness of the requirement.

#### **RECOMMENDATION # 5**

*John Jay concurs with this recommendation*, and we have addressed it to eliminate future occurrences. John Jay has developed a sole source justification template (*Attachment 10*) for use by our PIs when submitting a contract request to RFCUNY's Office of Legal Affairs. Going forward, this will ensure that the sole source justification fully adheres to RFCUNY's policy and addresses point-by-point the sole source requirements. We will also encourage RFCUNY to adopt this template CUNY-wide in an effort to better inform PIs and ensure compliance across the board. Supporting documentation and a discussion of the analysis completed to determine the reasonableness of consultants' fees are addressed in our response to recommendation #6.

#### **RECOMMENDATION # 6**

*John Jay does not concur that these costs are questionable*, and we have provided documentation to address this concern. John Jay maintains that the fees were reasonable in relation to the scope of work, as well as with respect to the expertise and experience of the individuals/companies selected. As such, both PIs have provided an analysis and discussion of the reasonableness of the consultant rates utilized on their respective awards (*Attachments 11 and 12*). We will work with OJP should they require further supporting documentation to clarify the reasonableness of the fees and remedy the questioned consultant costs.

#### **RECOMMENDATION # 7**

*John Jay concurs with this recommendation*, and we have addressed it to eliminate future occurrences. In 2017, RFCUNY implemented an online Contract Manager system for PIs to easily request, manage, and track the progress of contracts, including those for consultant

services. Overall, the system has allowed for a more efficient and timely exchange of information between PIs and Legal Affairs staff; thereby improving compliance with RFCUNY policy. The system also has checks and balances in place such that when a request is created, the submission date is validated against the contractor's start date, and in cases where the performance period has commenced, the PI is prompted to upload a justification detailing the cause for the delayed contract request. In these cases, the College takes on the risk to allow a contractor to begin work without a contract being in place. It is also important to note that while RFCUNY policy states that services may commence only after an agreement is signed by all parties, the system uses the contract request/submission date—rather than the execution date—in determining whether a justification is required.

#### **RECOMMENDATION # 8**

*John Jay concurs with this recommendation*, and we have addressed it to eliminate future occurrences. Although language regarding the maximum allowable daily/hourly rate, in accordance with limits set by OJP, is already incorporated within our independent contractor's agreement and, as a matter of practice, we encourage PIs to procure consultant services within OJP's rate limits, John Jay has taken the additional step of developing a template for consultants to utilize when preparing invoices in order to ensure that the billing process is transparent (*Attachment 13*). The template clearly details the dates and description of services provided, as well as the consultant's rate. This will allow PIs to easily determine whether an invoice adheres to the terms of the executed independent contractor's agreement and is within OJP's limits. Going forward, we will ensure that the invoice template is incorporated as an appendix within each contractor's agreement.

#### **RECOMMENDATION #s 9-10**

*John Jay concurs with this recommendation*, and we have addressed them to eliminate future occurrences. The College has compiled a quick reference sheet of the conference approval process for use by project staff during event planning to ensure that DOJ policies are clearly communicated to relevant project personnel (*Attachment 14*).

We have also worked with OJP's Office of the Chief Financial Officer to improve our conference expense tracking and have revised several post event reports with respect to inaccuracies. The corrected reports were accepted by OJP and the prior recommendations closed. John Jay has introduced new internal procedures to ensure timely delivery and has improved on this issue since the OJP desk review. We feel confident in future post-conference reports being submitted in a timely manner and look forward to OJP's suggestions on how we can continue to improve our approach.

OJP'S RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice


Office of Justice Programs

Office of Audit, Assessment, and Management

SEP 17 2018

Washington, D.C. 20531

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

FROM: Ralph E. Martin   
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Awards to the Research Foundation of the City University of New York*

This memorandum is in reference to your correspondence, dated August 9, 2018, transmitting the above-referenced draft audit report for the Research Foundation of the City University of New York (RFCUNY), on behalf of John Jay College of Criminal Justice (John Jay). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains 10 recommendations and \$146,575 in questioned costs. The following is OJP's analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by OJP's response.

1. **We recommend that OJP ensure that John Jay is adhering to the timekeeping system requirements that have been implemented for proper authorization and documentation of timekeeping records for award-funded staff.**

OJP agrees with the recommendation. In its September, 7, 2018 response to the draft audit report, John Jay described procedures to ensure adherence to timekeeping system requirements for the proper authorization and documentation of timekeeping records for award-funded staff. However, John Jay did not provide a copy of the written policies and procedures. In addition, John Jay did not provide evidence that staff had taken training on their roles and responsibilities regarding the timekeeping requirements. Accordingly, we will coordinate with RFCUNY to obtain: (a) a copy of John Jay's written policies and procedures, developed and implemented, to ensure proper authorization and documentation of timekeeping records for award-funded staff; and (b) evidence showing that John Jay staff has completed the timekeeping training.

2. **We recommend that OJP ensure that John Jay update property management records to include accurate and timely information and ensure compliance in the future.**

OJP agrees with the recommendation. We will coordinate with RFCUNY to obtain a copy of John Jay's written policies and procedures, developed and implemented, to ensure that property management records are updated to include accurate and timely information and ensure compliance in the future.

3. **We recommend that OJP ensure that John Jay perform a physical inventory for award-related equipment in accordance with its written policy to comply with OJP requirements.**

OJP agrees with the recommendation. We will coordinate with RFCUNY to obtain documentation to support that John Jay has performed a physical inventory for award-related equipment in accordance with its written policy, and to ensure compliance with OJP requirements.

4. **We recommend that OJP ensure that John Jay comply with requirements related to conflict of interest from regulations, guidelines, terms and conditions of the awards, and internal policies.**

OJP agrees with the recommendation. In its September, 7, 2018 response to the draft audit report, John Jay described improvements in its processes to ensure compliance with conflict of interest requirements, and it included a template that would prompt principal investigators (PIs) and compliance staff to complete financial interest disclosure statements annually. However, John Jay did not provide evidence showing that the template had been incorporated within the applicable body of written policies and procedures; nor did it provided evidence that the template had been approved and implemented. Accordingly, we will coordinate with RFCUNY to obtain a copy of John Jay's written policies and procedures, developed and implemented, to ensure compliance with conflict of interest requirements from regulations, guidelines, terms and conditions of the awards, and internal policies.

5. **We recommend that OJP ensure that John Jay adhere to its policy and document in its required written sole source justification the analysis completed to determine the consultant fees were reasonable when obtaining services through noncompetitive ("sole source") procurement.**

OJP agrees with the recommendation. In its September, 7, 2018 response to the draft audit report, John Jay provided a new sole source justification template that includes a section for documenting the reasonableness of a proposed contractor's fee. The template would be attached to a PI's contract request in RFCUNY's Contract Manager System.

However, John Jay did not provide documentation showing that the template had been incorporated into the applicable body of written policies and procedures, or that it had been approved by an authorized official and disseminated to staff responsible for managing Federal grant funds. Accordingly, we will coordinate with RFCUNY to obtain a copy of John Jay's written policies and procedures, developed and implemented, to ensure that written sole source justifications include the analysis completed to determine whether consultant fees are reasonable.

6. **We recommend that OJP remedy \$146,575 in questioned consultant costs that we were unable to determine were reasonable.**

OJP agrees with the recommendation. In its September, 7, 2018 response to the draft audit report, John Jay provided documentation to address the reasonableness of these consultant payments. However, the documentation only included detailed descriptions of qualifications for three of the eight consultants that were charge to Cooperative Agreement Numbers 2012-MU-MU-K014 and 2014-MU-MU-K051. Accordingly, we will review the \$146,575 in questioned costs, related to unsupported consultant costs, and will work with RFCUNY to remedy, as appropriate.

7. **We recommend that OJP ensure that John Jay adhere to and monitor compliance with written policies for commencing contracted services.**

OJP agrees with the recommendation. In its September, 7, 2018 response to the draft audit report, John Jay explained that the online Contract Manager System implemented in 2017 by RFCUNY eliminated the problem of noncompliance with its policy that services may commence only after a written agreement has been signed by all parties. John Jay also stated that the system uses the contract request/submission date, rather than the execution date, in determining whether justification is required. However, John Jay did not provide documentation to support these explanations. Accordingly, we will coordinate with RFCUNY to obtain a copy of John Jay's written policies and procedures, developed and implemented, to ensure that written policies for commencing contracted services are adhered to and compliance is monitored.

8. **We recommend that OJP ensure that John Jay implement policies and procedures to obtain information, such as detailed invoices and time and effort reports, to: (1) monitor the reasonableness of daily and hourly rates included in consultant billings, and (2) manage compliance with required approvals for sole source consultant rates that exceed limits set by OJP.**

OJP agrees with the recommendation. In its September, 7, 2018 response to the draft audit report, John Jay provided an invoice template to assist consultants in preparing detailed invoices. However, the invoices do not require information on the number of hours worked per day or supporting documentation, such as time and effort reports. In



addition, John Jay did not provide documentation showing that the template had been incorporated into the applicable body of written policies and procedures, or that it had been approved by an authorized official and disseminated to staff responsible for managing Federal grant funds. Accordingly, we will coordinate with RFCUNY to obtain a copy of John Jay's written policies and procedures, developed and implemented, to ensure that information, such as detailed invoices and time and effort reports, is obtained to: (1) monitor the reasonableness of daily and hourly rates included in consultant billings, and (2) manage compliance with required approvals for sole source consultant rates that exceed limits set by OJP.

9. **We recommend that OJP ensure that John Jay adhere to requirements and internal policies related to submitting timely requests for conference approvals and post-event reporting as well as entering into conference-related contracts.**

OJP agrees with the recommendation. In its September, 7, 2018 response to the draft audit report, John Jay provided a copy of its new quick reference sheet for conference approval requests, and stated that it had developed new procedures to ensure timely delivery of post-event reports. However, John Jay did not provide a copy of written procedures for ensuring compliance with the timeframes given in the quick reference sheet or for the timely delivery of post-event reports. Accordingly, we will coordinate with RFCUNY to obtain a copy of John Jay's written policies and procedures, developed and implemented, to ensure adherence to requirements and internal policies related to submitting timely requests for conference approvals and post-event reporting, as well as entering into conference-related contracts.

10. **We recommend that OJP ensure that John Jay maintain documentation to support the actual conference costs reported on post-event reports and implement procedures to ensure reports reconcile to documentation.**

OJP agrees with the recommendation. In its September, 7, 2018 response to the draft audit report, John Jay indicated that it had improved its conference expense tracking process and corrected inaccurate reports. However, it did not provide procedures to ensure that documentation to support actual conference costs is maintained, and that post-event reports reconcile to the documentation. Accordingly, we will coordinate with RFCUNY to obtain a copy of John Jay's written policies and procedures, developed and implemented, to ensure that documentation to support the actual conference costs reported on post-event reports is maintained, and reports reconcile to the documentation.

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

cc: Maureen A. Henneberg  
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for Operations and Management

cc: Jennifer Scherer  
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OJP Executive Secretariat  
Control Number IT20180817100536

## APPENDIX 5

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

The Department of Justice (Department) Office of the Inspector General (OIG) provided a draft of this audit report to the Research Foundation of the City University of New York (RFCUNY) on behalf of John Jay College of Criminal Justice (John Jay) and the Office of Justice Programs (OJP). John Jay's response is incorporated in Appendix 3 and OJP's response is incorporated in Appendix 4 of this final report. In response to our draft audit report, OJP concurred with our recommendations, and as a result, the status of the audit report is resolved. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

#### Recommendations for OJP:

- 1. Ensure that John Jay is adhering to the timekeeping system requirements that have been implemented for proper authorization and documentation of timekeeping records for award-funded staff.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with RFCUNY and John Jay to obtain written policies and procedures to ensure proper authorization and documentation of award-funded staff and evidence that John Jay staff completed timekeeping training.

John Jay concurred with our recommendation and stated in its response that it has established unique user IDs for delegates to approve award-funded staff timesheets and the award-funded Principal Investigator is responsible for approving the delegates' timesheets. Also, John Jay stated that the college will provide mandatory timekeeping training to staff. John Jay's Office of Sponsored Programs updated its bi-weekly reminder email sent to Principal Investigators to include language regarding the appropriate timekeeping approval process.

This recommendation can be closed when we receive documentation demonstrating that John Jay project staff is adhering to timekeeping policies and procedures and have completed timekeeping training.

- 2. Ensure that John Jay update property management records to include accurate and timely information and ensure compliance in the future.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will obtain John Jay's written policies and procedures to ensure they include requirements related to ensuring property management records include accurate and timely information.

John Jay concurred with our recommendation and stated in its response that the newly appointed property management staff is working to update property management records and ensure the procedures in CUNY's Property Management Manual are followed.

This recommendation can be closed when we receive evidence that the property management records are updated and accurate and John Jay's policies and procedures include the appropriate requirements.

**3. Ensure John Jay perform a physical inventory for award-related equipment in accordance with its written policy to comply with OJP requirements.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with RFCUNY and John Jay to obtain updated and accurate physical inventory records for award-related equipment.

John Jay concurred with our recommendation and stated in its response that the newly appointed property management staff is working to complete the annual inventory by December 31, 2018. Also, the property management staff will ensure the procedures in CUNY's Property Management Manual are followed.

This recommendation can be closed when we receive evidence that award-funded equipment is accounted for during the annual inventory.

**4. Ensure that John Jay comply with requirements related to conflict of interest from regulations, guidelines, terms and conditions of the awards, and internal policies.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with RFCUNY and John Jay to obtain the conflict of interest policies and procedures and ensure the proposed actions are incorporated.

John Jay concurred with our recommendation and stated in its response that it has obtained the missing disclosure forms and the Principal Investigator was required to complete Conflict of Interest training. Also, John Jay stated it is implementing a system that will prompt Principal Investigator's and compliance staff when disclosure forms are required.

This recommendation can be closed when we receive evidence that the conflict of interest policies and procedures were revised to ensure compliance with regulations, guidelines, and terms and conditions of awards.

**5. Ensure that John Jay adhere to its policy and document in its required written sole source justification the analysis completed to**

**determine the consultant fees were reasonable when obtaining services through noncompetitive ("sole source") procurement.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with RFCUNY and John Jay to obtain written policies and procedures that include the newly developed sole source justification template.

John Jay concurred with our recommendation and stated in its response that it has developed a sole source justification template for Principal Investigator's to use to ensure compliance with RFCUNY policies.

This recommendation can be closed when we receive evidence that the sole source justification template was incorporated into written policies and procedures.

**6. Remedy \$146,575 in questioned consultant costs that we were unable to determine were reasonable.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that the additional documentation provided by John Jay is not sufficient to support the reasonableness of the consultant costs. Also, OJP stated it will work with RFCUNY and John Jay to review the questioned consultant costs and remedy as appropriate.

John Jay does not concur with our recommendation and stated in its response that it does not feel the costs are questionable based on analysis and explanations prepared by the Principal Investigators that it provided with its response.

We reviewed the documentation provided by John Jay with its response and, as OJP stated in its response, determined it is not sufficient to support the reasonableness of the consultant costs charged to the awards.

This recommendation can be closed when we receive evidence that the amounts paid to the consultants were reasonable for the services provided.

**7. Ensure that John Jay adhere to and monitor compliance with written policies for commencing contracted services.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with RFCUNY and John Jay to obtain documentation that written policies are adhered to and compliance is monitored.

John Jay concurred with our recommendation and stated in its response that the Research Foundation of the City University of New York implemented an online Contract Manager system in 2017 that will prompt justification when work has commenced prior to a contract being in place.

This recommendation can be closed when we receive evidence that John Jay is monitoring compliance with written policies and procedures related to commencing contracted services.

**8. Ensure that John Jay implement policies and procedures to obtain information, such as detailed invoices and time and effort reports to: (1) monitor the reasonableness of daily and hourly rates included in consultant billings, and (2) manage compliance with required approvals for sole source consultant rates that exceed limits set by OJP.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will work with RFCUNY and John Jay to obtain its written policies and procedures that incorporate the newly developed consultant invoice template to ensure John Jay is monitoring the reasonableness of consultant rates and compliance with approval of rates that exceed the OJP threshold.

John Jay concurred with our recommendation and stated in its response that it has created an invoice template for consultants that details the dates and description of services provided and the consultant's rate.

This recommendation can be closed when we receive evidence that consultant invoices include adequate documentation of daily and hourly rates and that John Jay is managing compliance with OJP requirements related to consultant rates.

**9. Ensure that John Jay adhere to requirements and internal policies related to submitting timely requests for conference approvals and post event reporting as well as entering into conference-related contracts.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will work with RFCUNY and John Jay to ensure adherence with written policies and procedures related to timely conference approval requests and post event reporting as well as entering into conference-related contracts.

John Jay concurred with our recommendation and stated in its response that it has developed a quick reference sheet in addition to the policy in place for use by project staff responsible for event planning. John Jay also has implemented new internal procedures to ensure timely delivery of required reports.

This recommendation can be closed when we receive evidence that John Jay is adhering to written policies and procedures related to conferences.

**10. Ensure that John Jay maintain documentation to support the actual conference costs reported on post event reports and implement procedures to ensure reports reconcile to documentation.**

Resolved. OJP concurred with our recommendation. OJP stated in its response that it will coordinate with RFCUNY and John Jay to obtain written policies and procedures to ensure documentation to support actual conference costs is maintained and the reports reconcile to the documentation.

John Jay concurred with our recommendation and stated in its response that it has worked with OJP's Office of the Chief Financial Officer to improve conference expenses tracking.

This recommendation can be closed when we receive evidence that John Jay has implemented policies and procedures to ensure accurate post event reports are submitted to OJP and documentation is maintained to support the actual costs reported.



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