



Audit of the Office of Justice Programs
Cooperative Agreement Awarded to the Center for
Children's Law and Policy, Inc.
Washington, D.C.

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REDACTED FOR PUBLIC RELEASE

Redactions were made to the full version of the report for privacy reasons. The redactions are contained only in Appendix 3, the grantee's response, and are of individuals' names.



Executive Summary

Audit of the Office of Justice Programs Cooperative Agreement Awarded to the Center for Children's Law and Policy, Inc., Washington, D.C.

Objectives

The Office of Juvenile Justice and Delinquency Prevention (OJJDP) within the Office of Justice Programs (OJP) awarded to the Center for Children's Law and Policy, Inc. (CCLP) a cooperative agreement totaling \$521,610 under its Technical Assistance to End Racial and Ethnic Disparities in the Juvenile Justice System program. The objectives of this audit were to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether CCLP demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

We determined that CCLP achieved the award's stated goals and objectives but did not comply with all tested award requirements. We did not identify significant concerns regarding CCLP's budget management, drawdowns, and federal financial reports. However, we determined that CCLP needs to improve its performance data recording and reporting. With regard to financial management, we found that CCLP can incorporate stronger internal controls to ensure compliance with DOJ requirements. Finally, we identified \$28,463 in unallowable costs associated with unapproved personnel charges, \$7,585 in unallowable travel expenses, and \$10,158 in unallowable consultant fees, resulting in total questioned costs of \$46,206.

Recommendations

Our report contains eight recommendations to OJP to assist CCLP in improving its grant management and administration. We requested a response to our draft audit report from CCLP and OJP, which can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5. Subsequent to receiving the draft, CCLP implemented new internal policies and procedures, which we found addressed three of the eight recommendations.

Audit Results

OJJDP awarded the cooperative agreement to support CCLP's efforts to provide training and technical assistance (TTA) to local government and private organizations in order to address disproportionate minority contact and racial ethnic disparities within the juvenile justice system. The project period was from October 2017 through September 2019. As of December 2019, CCLP drew down \$421,013 (81 percent) of the award. We note OJJDP had deobligated the remaining \$100,597 before our audit, and therefore note no exception with unused funds.

Program Goals and Accomplishments – While our audit noted no concern with CCLP achieving the stated goals and objectives of the award, we found a publication produced with award funds detailed the incorrect OJP program office as the source of the cooperative agreement. In addition, we found that CCLP did not include the award publication statement on other TTA training materials.

Performance Reporting – We found that CCLP lacked policies and procedures on how to report accurate data needed to evaluate its program performance, such as the number of training events held. We also identified discrepancies between performance data reported to OJJDP and CCLP's source documentation.

System for Award Management – We found that CCLP did not have controls in place to identify whether contractors, consultants, and individuals it conducts business with had been suspended and/or debarred.

Grant Expenditures – We found that CCLP did not have a written policy for approving employee timesheets. The audit identified other areas in which grant expenditures were unallowable. These included \$28,463 in questioned costs associated with personnel costs and \$7,585 in questioned costs related to travel costs incurred by unapproved employees. CCLP did not disclose to OJJDP the roles and background of its consultants that had potential conflicts of interest. The lack of such disclosure resulted in \$10,158 of unallowable consultant costs.

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COOPERATIVE AGREEMENT AWARDED TO
THE CENTER FOR CHILDREN’S LAW AND POLICY, INC.,
WASHINGTON, D.C.**

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INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of a cooperative agreement awarded by the Office of Justice Programs (OJP), Office of Juvenile Justice and Delinquency Prevention (OJJDP) to the Center for Children's Law and Policy, Inc. (CCLP) in Washington, DC.¹ As shown in Table 1, CCLP’s award totaled \$521,610.

**Table 1
Cooperative Agreement Awarded to CCLP**

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2017-JF-FX-K034	OJJDP	9/30/2017	10/01/2017	09/30/2019	\$521,610

Note: The project period end date listed above reflects a 12-month no-cost extension that OJJDP approved on 09/14/2018.

Source: OJP’s Grants Management System

The Juvenile Justice and Delinquency Prevention Act of 1974 requires participating states to address the disproportionate number of minority youth who come into contact with the juvenile justice system. Funding through OJJDP’s Technical Assistance To End Racial and Ethnic Disparities in the Juvenile Justice System program is intended to support and provide education, training, and technical assistance to state, local, tribal governments, and private organizations on programmatic techniques to address disproportionate minority contact (DMC) and help eliminate racial and ethnic disparities within the juvenile justice system.² This technical assistance project also seeks to identify and implement evidence-based strategies that have a sound theoretical basis or have demonstrated measurable success in reducing DMC.

The Grantee

Established in 2006, CCLP is a small public interest law and policy organization located in Washington, D.C., that has a stated mission of eliminating racial and ethnic disparities in the juvenile justice system, reducing the unnecessary and inappropriate incarceration of children, and eliminating dangerous and

¹ OJP awards a cooperative agreement when it anticipates being substantially involved with the recipient during performance of the funded activity. We use the terms cooperative agreement, grant, and award interchangeably throughout this report.

² DMC exists if the rate at which a specific minority group comes into contact with the juvenile justice system significantly differs from the rate of contact for non-Hispanic whites or other minority groups.

inhumane practices for youth in custody. The organization assists state and local jurisdictions with juvenile justice reform, including training, technical assistance, legislative advocacy, research, writing, media outreach, and public education.

OIG Audit Approach

The objectives of this audit were to determine whether costs claimed under the award were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether CCLP 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.

We tested compliance with what we consider to be the most important conditions of the cooperative agreement. The 2017 DOJ Grants Financial Guide (DOJ Grants Financial Guide), Title 2 C.F.R. §200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the award documents contain the primary criteria we applied during the audit. We also reviewed relevant policies and procedures and interviewed personnel from CCLP, as well as its outsourced accountant and consultant to determine whether the award goals and objectives were achieved.

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

AUDIT RESULTS

Program Performance and Accomplishments

We reviewed the required performance reports, as well as the award solicitation and documentation. We also interviewed CCLP officials to determine whether CCLP demonstrated adequate progress towards achieving program goals and objectives. We also reviewed reports submitted by CCLP and relevant supporting documentation to determine if the required reports were accurate. Finally, we reviewed CCLP's compliance with the special conditions identified in the award documentation.

Program Goals and Objectives

The goals of Cooperative Agreement Number 2017-JF-FX-K034 were to: (1) assist state and local jurisdictions in implementing disproportionate minority contact (DMC) reduction programs; (2) improve the training and education of professionals who address racial and ethnic disparities at state and local levels to develop long-term partnerships; (3) identify and disseminate promising and evidence-based strategies with a sound theoretical basis and measurable success in reducing DMC; and (4) manage the project efficiently to ensure timely completion of all deliverables.³

We reviewed CCLP's two most recent progress reports to ascertain whether CCLP met the goals and objectives of the cooperative agreement. To do this, we selected a sample of three attributes and deliverables to determine if the reported accomplishments could be verified with sufficient supporting documentation. We found that CCLP provided training and technical assistance (TTA) to state and local jurisdictions, and professionals who address racial and ethnic disparities. CCLP also conducted assessments with state and local jurisdictions which identified opportunities to reduce these inequalities. Notably, CCLP developed training materials, including a toolkit to help a state jurisdiction enhance its pre-charge diversion and policies. The sample results did not indicate a concern regarding whether CCLP achieved the stated goals and objectives of the cooperative agreement.

According to award documents, any publication produced with award funds must contain a statement that the project was supported by Cooperative Agreement Number 2017-JF-FX-K034 and awarded by OJJDP. In addition, the statement is required on all written, visual, or sound materials substantively based on the project and formally prepared by the award recipient for dissemination to the public. We noted that the toolkit incorrectly reported that the Bureau of Justice Assistance (and not OJJDP) funded the cooperative agreement. In addition, we found that CCLP did not include the award publication statement on other TTA training materials. CCLP officials told us that: (1) they were not aware of the error

³ The third goal related to the evidence-based strategies was originally included in CCLP's application narrative. However, OJJDP directed CCLP to not conduct work on the third project goal due to other priorities of the cooperative agreement.

in the toolkit, (2) the error was a clerical mistake, and (3) OJJDP reviewed the materials prior to publication. However, considering the toolkit is posted on the state jurisdiction website, we believe CCLP misinforms the public of the actual source of funding. Therefore, we recommend that OJP coordinate with CCLP to develop policies that would result in accurate award information on all written materials and publications supported by OJP cooperative agreements.

Required Performance Reports

According to the DOJ Grants Financial Guide, the funding recipient should ensure that valid and auditable source documents are available to support all data collected for each performance measure specified in the program solicitation. Further, the Uniform Guidance states that awarding agencies should measure recipient performance in a way that helps it and other non-Federal entities to improve program outcomes, share lessons learned, and spread the adoption of promising practices. Thus, OJJDP required CCLP to submit semiannual performance metrics of relevant data through its Data Collection and Technical Assistance Tool (DCTAT) Performance Data Reports on a variety of performance measures. In order to verify the information in the OJJDP's DCTAT Performance Data Reports, we selected a sample of five performance measures from semiannual reports ending June 2019 and September 2019. We then sought to trace the items to supporting documentation maintained by CCLP.

We found that CCLP lacked policies and procedures on how to report accurate data needed to evaluate its program performances and successes. In addition, we identified discrepancies between data reported to OJJDP and CCLP source documentation. Table 2 shows that one of three performance measures reported from January 2019 through June 2019, and both performance measures reported from July 2019 through September 2019 lacked adequate support.

Table 2
Review of CCLP Progress Report Performance Measures
January 2019 – September 2019

January 2019 – June 2019				
No.	Performance Measures Tested	Reported to OJJDP	CCLP Data	Discrepancy
1	Number of training requests received	4	4	0
2	Number of technical assistance requests received	4	4	0
3	Number of planning or training events held	124	1	(123)
July 2019 – September 2019				
No.	Performance Measures Tested	Reported to OJJDP	CCLP Data	Discrepancy
1	Number of technical assistance requests received	3	0	(3)
2	Number of planning or training events held	4	1	(3)

Note: Negative values in the "Discrepancy" column reflect CCLP's overreporting of completed deliverables.

Source: OIG analysis of OJJDP's DCTAT Performance Data Reports and CCLP's data

Number of Planning or Training Events

CCLP officials told us that they held one training event between January 2019 to June 2019 and a data entry error caused CCLP to report holding 124 events at this time. CCLP officials stated that there was not an internal review of the data before it was entered into DCTAT. Consequently, CCLP notified OJJDP about the error after the audit team brought it to CCLP's attention during our fieldwork.

Additionally, CCLP reported holding four training events during the July 2019 to September 2019 reporting period. We requested CCLP officials to provide evidence, such as training record logs, training agendas, and training attendance roster to support the reported data. We reviewed the documentation related to these events, such as presentation slides, training agendas, agreements, proposals, and outreach effort documents. We also attempted to compare the documents of the three training events to the final narrative performance progress report. As a result, we could not identify the events because: (1) the narrative report did not specify the training by date or location of the training site, and (2) CCLP did not provide its training record logs or the attendance roster. Therefore, without sufficient and valid supporting evidence, the available documentation provided by CCLP did not confirm that three of the four training events occurred during the reporting period.

Number of Technical Assistance Requests Received

During the July 2019 to September 2019 reporting period, CCLP reported

that it received three technical assistance requests. However, due to the approaching end of the performance period, CCLP declined the requests and did not maintain support pertaining to these requests. According to the DOJ Grants Financial Guide, an awardee must retain all financial records, supporting documents, statistical records, and all other records pertinent to the award for a period of 3 years from the date of submission of the final expenditure report. Without auditable supporting documentation, we could not verify that CCLP received three technical assistance requests during this reporting period.

In our opinion, CCLP's lack of formal policies and procedures guiding the collection and reporting of performance measurement data contributed to the clerical error and underreporting of completed deliverables. Therefore, we recommend that OJP work with CCLP to implement policies and procedures to collect, review, and submit accurate OJP program performance reports, as required by the DOJ Grants Financial Guide.

System for Award Management

According to the DOJ Grants Financial Guide, award recipients must also review potential contractors or individuals in the U.S. General Services Administration's System for Award Management (SAM). SAM is the central repository for suspension and debarment actions taken by all federal government agencies and allows users to check and search for entity registrations and exclusion records. We found that CCLP did not have a policy related to the requirement to perform SAM searches. As a result, CCLP did not conduct searches on its contractors, consultants, or individuals. While our analysis found no debarred parties, we determined that CCLP did not have controls in place to identify whether the contractors, consultants, or individuals it did business with were suspended or debarred by the federal government. We believe the lack of screening potential contractors, consultants, or individuals in SAM placed the funded initiative at unnecessary risk of including an individual or organization excluded or debarred by the federal government.

Therefore, we recommend that OJP require CCLP officials to develop and implement policies and procedures to verify, in the SAM database, contractors, consultants, and individuals it plans to conduct business with, as required by the DOJ Grants Financial Guide.

Compliance with Special Conditions

OJP included special conditions for CCLP to meet as terms of accepting the award. We evaluated the special conditions for the cooperative agreement and judgmentally selected five requirements that we deemed significant to performance under the cooperative agreement that were not addressed in another section of this report. We evaluated CCLP's compliance with special conditions regarding: (1) restrictions and certifications of non-disclosure agreements or other related matters, (2) policies banning text messaging while driving, (3) submitting training and technical assistance reports and publications to OJJDP, (4) coordinating efforts with OJJDP on training and technical assistance activities, and (5) obligating,

expending, or drawing down award funds prior to the Office of Chief Financial Officer approving the budget and budget narrative. We did not identify any instances of CCLP not meeting these special conditions.

Award Financial Management

According to the DOJ Grants Financial Guide, award recipients and subrecipients must establish and maintain adequate accounting systems and financial records that account accurately for award funds. To assess CCLP's financial management of the cooperative agreement, we interviewed financial staff, examined relevant policies and procedures, assessed for suspended or debarred parties, and inspected award documents to determine whether CCLP safeguarded agreement funds. Finally, we performed testing in the areas that were relevant for the management of this cooperative agreement.

Our audit identified specific weaknesses in CCLP's policies and procedures relating to administering award personnel and expenditures. CCLP did not disclose to OJJDP the relationships of contractual parties to address the appearance of a conflict of interest, per the DOJ Grants Financial Guide requirements. Also, we found that employee timesheets lacked the approval of an appropriate supervisor or official. Furthermore, CCLP charged the salaries, fringe benefits, and travel expenditures of two employees that were not approved in the award's budget. As a result, these issues resulted in unallowable salaries, fringe benefits, travel, and contractual costs charged to the cooperative agreement as discussed in more detail in the Personnel Costs; Travel, Supplies, and Other Direct Costs; and Contractual Costs sections of this report.

Award Expenditures

As of December 2019, CCLP charged \$421,013 in expenditures to the cooperative agreement. The approved budget included allowances for personnel costs, fringe benefits, travel, equipment, supplies, contractual costs, and other direct costs, as detailed in Table 3.

Table 3
Expenditures by Cost Elements

Cost Element	Total Budgeted (\$)	Total Spent (\$)
Personnel	\$ 275,750	\$ 264,216
Fringe	70,730	60,840
Travel	42,000	35,127
Equipment	1,000	0
Supplies	2,024	2,416
Consultants/Contracts	71,303	21,274
Other	58,803	37,140
Total:	\$521,610	\$421,013

Source: OJJDP and CCLP accounting records

To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of 83 transactions representing \$73,451 in expenditures that CCLP allocated to the cooperative agreement. These transactions included personnel, fringe, contractual costs, and other direct costs. We reviewed supporting documents, analyzed accounting records, and performed verification testing related to award expenditures. As described in the next sections, our sample testing identified \$46,206 in unallowable or unsupported costs.

Personnel Costs

Under the DOJ Grants Financial Guide, award recipients apply a system of internal controls that provides a reasonable assurance that charges are accurate, allowable, and properly allocated. Also, salaries, wages, and fringe benefits provided by federal awards must be based on records that accurately reflect the work performed and comply with the established policies and practices of the organization. Salaries and wages need to be supported by timesheets, time and effort reports, or other activity reports that have been certified by the employee and approved by a supervisor with firsthand knowledge of the work performed. Based on our review of CCLP's payroll procedures, we found that it did not address how CCLP approves employee timesheets associated with federal awards. We also identified personnel costs totaling \$28,463 that were unallowable because two employees were not approved in the award budget.

Lack of Timesheet Approval

We reviewed CCLP payroll procedures and timesheets of employees paid with award funds. We found that CCLP used an electronic time tracking system to record work hours for various projects. After CCLP employees complete and submit their timesheets in the time tracking system, CCLP's Director of Operations reviewed and processed timesheets bi-monthly. The timesheets we reviewed were not approved by an official such as a supervisor with firsthand knowledge of the work performed by each employee. We note that CCLP's time tracking system included a feature to record supervisory approval of timesheets; however, CCLP did not utilize this application. A CCLP official told us that since the organization is relatively small and staff are in constant communication, a process of reviewing and checking employee hours would be redundant. Another CCLP official stated that CCLP employees travel up to half of the time, depending on the project. Despite the frequent travel of its staff, CCLP did not use the approval feature available in its time tracking system.

While CCLP payroll procedures addressed processing timesheets, it does not address how timesheets must be approved, as required by the DOJ Grants Financial Guide. Therefore, we recommend that OJP work with CCLP to implement procedures whereby a responsible official (e.g., with firsthand knowledge of the work performed), reviews and approves employee timesheets.

Unapproved Personnel

To validate how CCLP charged personnel costs to the cooperative agreement, we judgmentally selected two non-consecutive pay months and tested payroll expenses associated with employees listed in the approved budget. CCLP charged \$264,216 in salary and \$60,840 in fringe benefit costs to the award, totaling \$325,056, or 62 percent of the total award. Our testing traced recorded payroll expenses in the accounting records to the payroll distribution records for each employee. We also calculated the percentage of time the employees worked on award-related activities based on their timesheets to determine whether the salary and fringe allocations were accurate.

In issuing the cooperative agreement, OJJDP approved a budget that stipulated the name, position or role in the project, and rate of pay of each employee. While our testing found that CCLP properly computed and recorded salary expenses and associated fringe benefit costs, CCLP allocated to the award personnel costs of two employees that OJJDP did not expressly list in its approved budget.⁴ For these two employees, CCLP allocated \$19,051 in salaries and \$9,412 in fringe benefits. CCLP also charged travel costs associated with these employees to the cooperative agreement.

Under the Uniform Guidance, recipients are responsible for administering funds in a manner consistent with award terms and conditions, which include the approved budget (Title 2 C.F.R. §200.400). We discussed this issue with CCLP officials and determined that CCLP made personnel changes during the lifetime of the cooperative agreement but did not receive formal approval for these changes from OJJDP. CCLP officials told us that one employee was a successor of a former staff member listed in the approved budget, while the second employee filled in temporarily for another staff member. As the budget approved each employee, to include his or her specific role and rate of pay, OJJDP would have needed to approve these personnel changes for them to have been allowable. Because OJJDP did not approve the two employees to charge time to the award, we recommend that OJP remedy \$28,463 in questioned costs associated with salaries and fringe benefits of unapproved employees charged to the cooperative agreement.

Travel, Supplies, and Other Direct Costs

We tested a non-statistical sample of transactions related to travel, supplies, and other items. Based on our review, we determined that the costs were allowable, supported, and allocable to the award, except for travel expenses incurred by two CCLP employees not approved to work on the project and a student

⁴ Of the two unapproved employees, CCLP communicated to OJJDP that one employee would assist CCLP in hosting a 1-day training program in September 2019. However, besides communication regarding this 1-day event, we did not receive evidence that OJJDP had knowledge of or otherwise approved either of the two employees to work on the cooperative agreement.

intern.⁵ Overall, we found that CCLP charged travel expenses, such as airfare and hotel invoices totaling \$7,585. Therefore, we recommend OJP to remedy \$7,585 in questioned costs associated with travel expenses incurred by two unapproved employees and the student intern.

Contractual Costs

The approved award budget included costs for contractors and consultants. As of December 2019, CCLP charged a total of \$21,274 to these cost categories. We judgmentally selected and reviewed a sample of these expenditures for compliance with the DOJ Grants Financial Guide and other criteria as detailed below.

Contractors

CCLP contracted accounting and bookkeeping services as well as information technology support services from outsourced providers. We reviewed seven contractors' invoices totaling \$6,440 and determined that the invoices were allowable by the approved budget and supported by the documentation provided.

Consultants

In May 2019, CCLP hired consultants to serve as speakers on a family engagement and partnership efforts for a webinar on racial and ethnic disparities. In collaboration with OJJDP, these consultants were responsible for preparing and presenting the webinar. Another CCLP consultant served as a student intern to provide administrative and clerical support for the project from June 2019 through September 2019. We judgmentally selected and tested six consultants' invoices to determine whether costs were allowable, supported, and in compliance with the DOJ Grants Financial Guide. Our review did not identify any discrepancies with costs related to the invoices.

One of the webinar consultants was a member of CCLP's Board of Directors. Furthermore, the consultant who served as a student intern was a family member of another CCLP employee who played a key role on the project. The DOJ Grants Financial Guide requires that decisions related to federal funds must be free of undisclosed personal or organizational conflicts of interest, both in fact and in appearance. Award recipients should not participate in any decision, approval, or recommendations concerning an immediate family member; a partner; an organization in which they service as an officer, director trustee, partner, or employee; and any person or organization with whom has a financial interest or other reasons can have less than an unbiased transaction with the recipient. Furthermore, non-federal entities are required to disclose in writing any potential conflict of interest to the awarding agency, as applicable.

⁵ CCLP hired a student intern as a consultant to provide administrative and clerical support for the cooperative agreement from June 2019 through September 2019. CCLP did not disclose to OJJDP that the student intern was a family member of a key staff official to prevent the appearance of a conflict of interest. As a result, this deficiency resulted in unallowable expenses, which is discussed in more detail in the Consultants section area in this report.

Although CCLP properly allocated the consultants' charges to the award, CCLP did not have a conflict of interest policy in place for its employees for cooperative agreement during the award. With regard to the webinar consultant who served on CCLP's Board of Directors, CCLP officials told us that they hired the consultant due to a timing issue and CCLP needed a qualified individual to fill in the webinar speaker's role expeditiously. CCLP paid this consultant \$975 for webinar speaking services. CCLP officials stated that they discussed the hiring of this consultant with an OJJDP grant manager, who later approved the consultant to participate on the webinar. However, CCLP did not disclose to OJJDP that the webinar consultant also served as a member on CCLP's Board of Directors. As a result, we are questioning \$975 paid to the webinar consultant as unallowable.

CCLP hired the consultant who served as a student intern to work up to 40 hours per week from June 2019 through September 2019. CCLP paid this consultant a total of \$9,183 for this time of work. We reviewed the approved award budget, grant adjustment notices (GAN), and other award documents and could not find evidence that CCLP notified or disclosed to OJJDP that the consultant working on the project was a family member of a key staff official. As a result, we are questioning \$9,183 paid to the student intern as unallowable.

In our opinion, a member of CCLP's Board of Directors and a family member of a CCLP employee receiving payment for working on the award without express OJJDP approval creates the appearances of conflicts of interest, which the OJP Grants Financial Guide states must be avoided. As a result, we consider the \$975 in webinar consultant fees and \$9,183 in student intern payments as unallowable costs. Therefore, we recommend that OJP remedy \$10,158 in unallowable consultant's costs due to the lack of a written conflict of interest disclosure to OJJDP.

CCLP had a conflict of interest policy dedicated to the members of its Board of Directors but did not have a conflict of interest policy in place specifically for its employees. After we brought this issue to CCLP's attention, officials implemented a formal employee conflict of interest policy effective as of October 2020. While the policies established procedures to address conflict of interests, the policies did not contain a provision that requires CCLP to disclose, in writing, potential conflict of interests to the awarding agency. Therefore, we recommend that OJP coordinate with CCLP to update its conflict of interest policies and procedures in accordance with the DOJ Grants Financial Guide.

Budget Management and Control

According to the DOJ Grants Financial Guide, the award recipient must maintain an adequate accounting system that compares actual expenditures or outlays with budgeted amounts for each award. Additionally, the awardee must initiate a 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 agreement expenditures to the approved budgets to determine whether CCLP 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 DOJ Grants Financial Guide, recipients must establish an adequate accounting system that supports each receipt 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. As of December 26, 2019, CCLP had drawn down \$421,013 of \$521,610, or 81 percent of the award. Once the award period ended on September 30, 2019, OJJDP deobligated the unused balance of \$100,597 during the closeout period.

To assess whether CCLP managed grant receipts in accordance with federal requirements, we reviewed CCLP drawdown policies and procedures and compared the total amount reimbursed to the total expenditures in CCLP's accounting records. According to CCLP's drawdown policy, federal funds are not drawn down until they have been spent. The procedures specify that the Director of Operations and accountant verify expenses entered in its online system. The Director of Operations also reviews the balance on hand and confirms the monthly expenses prior to requesting that month's drawdown. We found that the total drawdowns were not greater than the total actual expenditures, which confirms that CCLP requested drawdowns appropriately on a reimbursable basis.

Federal Financial Reports

According to the DOJ Grants Financial Guide, recipients need to report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether CCLP submitted accurate Federal Financial Reports, we compared the four most recent reports to CCLP's accounting records for the audited agreement. We determined that quarterly and cumulative expenditures for the reports reviewed generally matched the accounting records.

CONCLUSION AND RECOMMENDATIONS

We determined that CCLP achieved the award's stated goals and objectives but did not comply with certain tested award requirements. While we did not identify significant issues regarding CCLP's budget management, drawdowns, and federal financial reports, we found that CCLP listed the incorrect funding agency on a publication and did not perform reviews, in the SAM database, on contractors, consultants, and individuals it conducts business with, to screen for excluded or debarred individuals. Also, CCLP lacked written policies and procedures on evaluating the successes of its program performance and approving employee timesheets. In addition, CCLP did not notify OJJDP of personnel changes in writing, which contributed to the amount of unallowable salaries, fringe benefits, and travel expenditures charged to the award. Finally, CCLP also did not disclose to OJJDP that a consultant served as a member on its Board of Directors and another consultant was a family member to a key official that managed award deliverables. We believe this created appearance of conflict of interest, which the DOJ Grants Financial Guide states must be avoided. As a result, we questioned costs totaling \$46,206 and provide eight recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Coordinate with CCLP to develop policies that would result in accurate award information on all written materials and publications supported by OJP cooperative agreements.
2. Work with CCLP to implement policies and procedures to collect, review, and submit accurate OJP program performance reports, as required by the DOJ Grants Financial Guide.
3. Require CCLP officials to develop and implement policies and procedures to verify, in the SAM database, contractors, consultants, and individuals it plans to conduct business with, as required by the DOJ Grants Financial Guide.
4. Work with CCLP to implement procedures whereby a responsible official (e.g., with firsthand knowledge of the work performed), reviews and approves employee timesheets.
5. Remedy \$28,463 in questioned costs associated with salaries and fringe benefits of unapproved employees charged to the cooperative agreement.
6. Remedy \$7,585 in questioned costs associated with travel expenses incurred by two unapproved employees and the student intern.
7. Remedy \$10,158 in unallowable consultant's costs due to the lack of a written conflict of interest disclosure to OJJDP.
8. Coordinate with CCLP to update its conflict of interest policies and procedures in accordance with the DOJ Grants Financial Guide.

APPENDIX 1

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objectives of this audit were to determine whether costs claimed under the cooperative agreement were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine whether CCLP demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant 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 objectives.

This was an audit of the Office of Justice Programs (OJP) cooperative agreement awarded to the Center for Children's Law and Policy, Inc. (CCLP) under the Fiscal Year 2017 Technical Assistance To End Racial and Ethnic Disparities in the Juvenile Justice System program. CCLP was awarded \$521,610 under Cooperative Agreement Number 2017-JF-FX-K034, and as of June 11, 2020, had drawn down \$421,013 of total funds awarded. Our audit concentrated on, but was not limited to September 30, 2017, the award date for Cooperative Agreement Number 2017-JF-FX-K034, through January 2021, the last day of our audit work. The project period for Cooperative Agreement Number 2017-JF-FX-K034 ended on September 30, 2019, and the award closed in final on December 26, 2019. As a result of the COVID-19 pandemic response, we performed our audit fieldwork exclusively in a remote manner.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of CCLP's activities related to the audited award. We performed sample-based audit testing for award expenditures including payroll and fringe benefit charges, financial reports, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the award reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The 2017 DOJ Grants Financial Guide and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from the OJP's Grants Management System, as well as CCLP'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.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of CCLP to provide assurance on its internal control structure as a whole. CCLP's management is responsible for the establishment and maintenance of internal controls in accordance with the Uniform Guidance (Title 2 C.F.R. §200). Because we do not express an opinion on CCLP's internal control structure as a whole, we offer this statement solely for the information and use of CCLP and OJP.⁶

In planning and performing our audit, we identified the following internal control components and underlying internal control principles as significant to the audit objective(s):

Internal Control Components & Principles Significant to the Audit Objectives	
Control Environment Principles	
	Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.
Risk Assessment Principles	
	Management should define objectives clearly to enable the identification of risks and define risk tolerances.
Control Activity Principles	
	Management should design control activities to achieve objectives and respond to risks.
	Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
	Management should implement control activities through policies.
Information & Communication Principles	
	Management should use quality information to achieve the entity's objectives.

We assessed the effectiveness of these internal controls and identified deficiencies that we believe could affect CCLP's ability to effectively and efficiently operate, to correctly state performance information, and to ensure compliance with laws and regulations. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit. The internal control deficiencies we found are discussed in the Audit Results section of this report.

⁶ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs⁷		
Unallowable Salaries	\$19,051	9
Unallowable Fringe Benefits	9,412	9
Unallowable Travel Expenses	7,585	9
Unallowable Consultant Costs	<u>10,158</u>	11
TOTAL DOLLAR-RELATED FINDINGS	<u>\$46,206</u>	

⁷ **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 may be remedied by offset, waiver, recovery of funds, the provision of supporting documentation, or contract ratification, where appropriate.

APPENDIX 3

CENTER FOR CHILDREN'S LAW AND POLICY, INC. RESPONSE TO THE DRAFT AUDIT REPORT



February 16, 2021

John Manning
Regional Audit Manager
Office of the Inspector General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Re: Audit of Center for Children's Law and Policy

Dear Mr. Manning:

Thank you for the opportunity to respond to the draft audit report on the Office of Justice Programs (OJP), Office of Juvenile Justice and Delinquency (OJJDP) Prevention Cooperative Agreement awarded to the Center for Children's Law and Policy (CCLP).

We at CCLP appreciate the audit findings that CCLP achieved the agreement's stated goals and objectives.

I will respond to each of the eight recommendations made by OIG to OJP. I will refer to two enclosed documents: CCLP Requirements for Federal Grants (CCLP Requirements) and Center for Children's Law and Policy Conflict of Interest Policy (COI Policy).

Recommendation 1. CCLP agrees that it incorrectly noted the federal funding agency on a publication. In response, please see Requirement 1 in the CCLP Requirements. That Requirement provides that the lead person on a project shall ensure that accurate award information is included in all written materials and publications. To ensure accuracy, the Executive Director or Deputy Director, or a second person working on the project, shall review the written materials at least 48 hours prior to the release of the materials. The initial review and the second review shall be documented.

Recommendation 2. CCLP agrees that it submitted program performance reports that contained inaccuracies. In response, please see Requirement 2 in the CCLP Requirements. That Requirement provides that the lead person on a project shall be responsible for collecting the information to be submitted in the performance reports and shall ensure that accurate performance reports shall be submitted. To ensure accuracy, the Executive Director or Deputy Director, or a second person working on the project, shall review all performance reports at least 48 hours prior to the submission of the reports to the federal funding agency. The initial collection of information and the review shall be documented.

Recommendation 3. CCLP agrees that it did not review all consultants, contractors, and individuals working on the project, on the SAM.gov database, for suspension or debarment, prior to submission of the proposed project. In response, please see Requirement 3 in the CCLP Requirements. That Requirement provides that the lead person on the project or designee shall review all contactors, consultants, and individuals in the SAM.gov database, and provide certification or proof of clearance, prior to submission of any proposed federal grant, contract, or cooperative agreement. To ensure accuracy, at least 48 hours prior to submission, the Executive Director or Deputy Director, or a second person working on the project, shall review the SAM.gov database search with the lead person on the project.

Recommendation 4. CCLP agrees that it did not review and approve all timesheets of employees working on this project. In response, please see Requirement 4 in the CCLP Requirements. That Requirement provides that, within four days of the end of each month, the lead person on the project shall review and approve employee timesheets for staff working on the project for the bi-monthly pay periods. If the lead person on the project is not available, the Executive Director, Deputy Director, or other person with firsthand knowledge of the work performed shall review and approve the timesheets for staff working on the project.

Recommendation 5. The OIG recommends that salary and fringe benefits for one employee, [REDACTED], be disallowed due to a failure to obtain necessary approval from OJJDP for the employee. CCLP does not agree that the salary and fringe benefits should be disallowed.

Under the terms of the Cooperative Agreement, CCLP maintained regular contact with the OJJDP Grant Program Manager. The Grant Manager required that CCLP discuss the status of all TTA projects during these regular check-in calls, including CCLP's staffing plan for each TTA assignment. Additionally, OJJDP developed an approval process that CCLP should follow for each TTA assignment received through TTA 360. Upon receiving a TTA assignment through TTA 360, OJJDP required that CCLP develop a technical assistance proposal and budget outlining how CCLP would respond to the TTA request.

On April 10, 2019, in accordance with OJJDP's required process, CCLP submitted a TTA proposal and budget for TTA to be provided to Allen County, Ohio. The budget explicitly names [REDACTED] as one of the assigned CCLP staff persons to provide TTA services to Allen County. On April 18, 2019, the OJJDP Grant Manager replied, "We have reviewed and approve this request." Based on this response, CCLP provided TTA to Allen County Ohio as outlined and approved, including [REDACTED] as a member of the staffing team.

The personnel costs related to [REDACTED] are allowable under the Cooperative Agreement because the OJJDP Grant Manager explicitly gave approval for her to staff project activities on April 18, 2019. The OIG takes the position that OJJDP's staffing approval for [REDACTED] was limited to only the one specific TTA project for Allen County, Ohio, and that any other prior or subsequent project staffing by [REDACTED] should be disallowed. The OIG has also taken the position that the notice of [REDACTED] activity on the grant was not provided via a Grant

Adjustment Notice. However, OJJDP's approval of [REDACTED] activity on the grant should extend to all prior and subsequent activities for the following reasons:

1. Neither the OJP Financial Guide nor the Cooperative Agreement requires that changes in project staff be submitted through a GAN, except in the case of a change to an authorized official or the financial contact. Thus, email notification and approval are sufficient, and the costs related to [REDACTED] activities are allowable.
2. Neither the OJP Financial Guide nor the Cooperative Agreement imposes any time requirements for notification of changes in project staff. The guidance only requires that a notification occur. Thus, regardless of the timing of the notification, the fact of the notification during the official performance period is sufficient to justify the costs CCLP incurred for [REDACTED] activities as allowable under the Cooperative Agreement.
3. [REDACTED] activities on the project were related to three specific TTA requests, Ohio, Illinois and New Mexico. OJJDP approved both the Illinois and New Mexico TTA plans with staffing arrangement "TBD", i.e., "To Be Determined," without imposing further conditions on the approvals. CCLP thus acted within its due authority to assign [REDACTED] a CCLP staff member authorized to provide TTA services on the grant.
4. [REDACTED] qualifications exceed requirements for providing the TTA that she provided under the Cooperative Agreement. The TTA that she provided also met or exceeded the required deliverables.

For the reasons outlined above, \$26,692.85 in salary, payroll taxes, and fringe costs that CCLP incurred for [REDACTED] during the performance period are allowable.

Should OJP determine that only costs incurred after CCLP notified OJJDP that [REDACTED] would be conducting staffing activities on the project are allowable, then \$20,903.11 in salary, payroll taxes, and fringe costs that CCLP incurred for [REDACTED] subsequent to the notification during April 2019 and through the end of the performance period are allowable.

In addition, please see CCLP Requirement 5. That Requirement provides that, if there is a change of CCLP personnel or consultant(s) on a project at any time after submission of the proposal to a federal agency or during the grant period, the lead person on the project shall obtain approval of the change by the federal agency through a Grant Adjustment Notice submitted into the federal Grants Management System, and shall document the effort to obtain approval and the approval by the agency. Until the federal agency provides approval, the new CCLP personnel or consultant(s) may not be compensated for work on the project or travel or other expenses.

Recommendation 6. OIG has questioned costs associated with travel expenses incurred by two unapproved employees and the student intern. With respect to one employee and the student intern, CCLP agrees that they were unapproved and therefore does not contest the disallowance for their travel expenses. For the reasons outlined under Recommendation 5 above, however, it is clear that [REDACTED] was authorized to work on the project. Thus,

\$4,532.41 in travel costs that CCLP incurred in support of [REDACTED] approved activities on the project are allowable.

Should OJP determine that only travel costs incurred *after* CCLP notified OJJDP that [REDACTED] would be conducting staffing activities on the project are allowable, then \$3,660.85 in travel costs that CCLP incurred for [REDACTED] from April 2019 through the end of the performance period are allowable.

Recommendation 7. OIG recommends disallowance of consultant costs for two consultants with potential conflicts of interest, due to the lack of a written conflict of interest disclosure to OJJDP. CCLP agrees and does not contest the disallowance of the costs for the two consultants.

Recommendation 8. CCLP agrees that it did not have a sufficient conflict of interest policy for all governing board members and CCLP staff during the term of this Cooperative Agreement. In response, please see CCLP Requirement 6. That Requirement provides that, prior to submission of an application or prior to submitting a GAN to change any employee or consultant(s), the lead person on the project shall determine whether an actual or potential conflict of interest may exist with respect to the involvement of any CCLP staff member, consultant, intern, or other individual or entity, in accordance with the CCLP COI policy, which is enclosed. If the lead person determines that there may be a conflict of interest, the lead person shall notify the Executive Director. The Executive Director and the lead person shall then follow CCLP's COI policy to have the Board of Directors determine whether there is an actual or potential conflict of interest and how the matter should be resolved. If another CCLP staff member or any other person associated with the project believes there may be a conflict of interest, that person shall notify the Executive Director. The Executive Director shall then consult with the lead person on the project and the Executive Director and the lead person shall follow the provisions of the Conflict of Interest policy.

The CCLP Requirements are in effect now and all CCLP staff have been provided with copies. The CCLP Conflict of Interest policy has been provided to all staff will be submitted to the CCLP Board of Directors for approval at the next Board meeting, on March 8.

Please let me know if you have any questions or need any additional information.

Sincerely,

Mark Soler

MARK SOLER
Executive Director

Cc: Linda J. Taylor
Lead Auditor
Audit Coordination Branch

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5

OFFICE OF JUSTICE PROGRAMS RESPONSE TO
THE DRAFT AUDIT REPORT



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

February 24, 2021

MEMORANDUM TO: John J. Manning
Regional Audit Manager
Washington Regional Audit Office
Office of the Inspector General

FROM: Ralph E. Martin
Director *Ralph E. Martin*

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Cooperative Agreement Awarded to the Center for Children's Law and Policy, Inc., Washington, D.C.*

This memorandum is in reference to your correspondence, dated January 26, 2021, transmitting the above-referenced draft audit report for the Center for Children's Law and Policy, Inc. (CCLP). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains eight recommendations and \$46,206 in questioned costs. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

1. **We recommend that OJP coordinate with CCLP to develop policies that would result in accurate award information on all written materials and publications supported by OJP cooperative agreements.**

OJP agrees with this recommendation. CCLP provided, in its response, dated February 16, 2021, a copy of written policies and procedures, developed and implemented, to ensure that accurate award information on all written materials and publications is properly reviewed prior to release. In addition, CCLP provided documentation to support that the procedures were distributed to staff responsible for managing Federal funds (see Attachment). We believe these procedures adequately address this recommendation. Accordingly, the Office of Justice Programs requests closure of this recommendation.

2. **We recommend that OJP work with CCLP to implement policies and procedures to collect, review, and submit accurate OJP program performance reports, as required by the Department of Justice (DOJ) Grants Financial Guide.**

OJP agrees with this recommendation. CCLP provided, in its response, dated February 16, 2021, a copy of written policies and procedures, developed and implemented, to ensure that semi-annual program performance reports are accurate; and are fully supported by source documentation that is maintained for future auditing purposes. In addition, CCLP provided documentation to support that the procedures were distributed to staff responsible for managing Federal funds (see Attachment). We believe these procedures adequately address this recommendation. Accordingly, the Office of Justice Programs requests closure of this recommendation.

3. **We recommend that OJP require CCLP officials to develop and implement policies and procedures to verify, in the SAM database, contractors, consultants, and individuals it plans to conduct business with, as required by the DOJ Grants Financial Guide.**

OJP agrees with this recommendation. CCLP provided, in its response, dated February 16, 2021, a copy of written policies and procedures, developed and implemented, to ensure that suspension and debarment certifications are obtained from vendors or subrecipients receiving \$25,000 or more in Federal funds, prior to signing the award or contract. However, CCLP's procedures state that a second person will review the SAM.gov database search with the lead person. We believe CCLP should document its results to ensure that the supporting documentation from its review of the SAM.gov database will be maintained for future auditing purposes. Accordingly, we will coordinate with CCLP to obtain a copy of its revised policies and procedures, implemented to ensure that suspension and debarment certifications are obtained from vendors or subrecipients receiving \$25,000 or more in Federal funds, prior to signing the award or contract; and the supporting documentation is maintained for future auditing purposes.

4. **We recommend that OJP work with CCLP to implement procedures whereby a responsible official (e.g., with firsthand knowledge of the work performed), reviews and approves employee timesheets.**

OJP agrees with this recommendation. CCLP provided, in its response, dated February 16, 2021, a copy of written policies and procedures, developed and implemented, to ensure that an official, with firsthand knowledge of the work performed, reviews and approves employee time sheets (see Attachment). We believe these procedures adequately address this recommendation. Accordingly, the Office of Justice Programs requests closure of this recommendation.

5. **We recommend that OJP remedy the \$28,463 in questioned costs associated with salaries and fringe benefits of unapproved employees charged to the cooperative agreement.**

OJP agrees with this recommendation. CCLP stated, in its response, dated February 16, 2021, that it does not agree that the salary and fringe benefits for one employee should be disallowed. CCLP further stated that it maintained regular contact with OJP's Office of Juvenile Justice and Delinquency Prevention (OJJDP), and that OJJDP reviewed and approved a budget request pertaining to the employee in question. Accordingly, we will review the \$28,463 in questioned costs, charged to Cooperative Agreement Number 2017-JF-FX-K034, and will work with CCLP to remedy, as appropriate.

6. **We recommend that OJP remedy the \$7,585 in questioned costs associated with travel expenses incurred by two unapproved employees and the student intern.**

OJP agrees with this recommendation. CCLP stated, in its response, dated February 16, 2021, that it believed that one employee and the student intern were unapproved, and does not contest the disallowance for their travel expenses. CCLP further stated that the other employee was authorized to work on the project; and thus, some of the travel costs associated with this employee should be allowable. Accordingly, we will review the \$7,585 in questioned costs, charged to Cooperative Agreement Number 2017-JF-FX-K034, and will work with CCLP to remedy, as appropriate.

7. **We recommend that OJP remedy the \$10,158 in unallowable consultant's costs due to the lack of a written conflict of interest disclosure to OJJDP.**

OJP agrees with this recommendation. CCLP stated, in its response, dated February 16, 2021, that it does not contest the disallowance of the costs for the two consultants. Accordingly, we will work with CCLP to remedy the \$10,158 in questioned costs charged to Cooperative Agreement Number 2017-JF-FX-K034, as appropriate.

8. **We recommend that OJP coordinate with CCLP to update its conflict of interest policies and procedures in accordance with the DOJ Grants Financial Guide.**

OJP agrees with this recommendation. CCLP provided, in its response, dated February 16, 2021, a copy of its revised written conflict of interest policies and procedures, to require that employees or consultants disclose whether an actual or potential conflict of interest may exist with respect to the involvement of any CCLP staff member, consultant, intern, or other individual or entity, in accordance with the Department of Justice Grants Financial Guide. However, CCLP stated that the policy will be presented for approval at its next Board of Directors, in March 2021. Accordingly, we will coordinate with CCLP to obtain a copy of its finalized and approved conflict of interest policy.

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.

Attachment

cc: Maureen A. Henneberg
Acting Assistant Attorney General

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

Cheryl Jones
Acting Administrator
Office of Juvenile Justice and Delinquency Prevention

TeNeane P. Bradford
Associate Administrator, State Relations and Assistance Division
Office of Juvenile Justice Delinquency Prevention

Keisha Kersey
Grants Management Specialist
Office of Juvenile Justice Delinquency Prevention

Charlotte Grzebien
Deputy General Counsel

Phillip K. Merkle
Acting Director
Office of Communications

Rachel Johnson
Acting Chief Financial Officer

Christal McNeil-Wright
Associate Chief Financial Officer
Grants Financial Management Division
Office of the Chief Financial Officer

Joanne M. Suttington
Associate Chief Financial Officer
Finance, Accounting, and Analysis Division
Office of the Chief Financial Officer

cc: Aida Brumme
Manager, Evaluation and Oversight Branch
Grants Financial Management Division
Office of the Chief Financial Officer

Louise Duhamel
Acting Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

OJP Executive Secretariat
Control Number IT20210127082404

APPENDIX 5

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

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP) and the Center for Children's Law and Policy, Inc. (CCLP). CCLP'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 agreed with our recommendations, and as a result, the status of the report is resolved.

As discussed in more details below, CCLP agreed with six recommendations, partially agreed with one recommendation, and did not agree with one aspect of the remaining recommendation. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Coordinate with CCLP to develop policies that would result in accurate award information on all written materials and publications supported by OJP cooperative agreements.**

Closed. OJP agreed with our recommendation. OJP stated in its response that CCLP provided a copy of written policies and procedures it has developed and implemented to ensure that accurate award information on all written materials and publications is properly reviewed prior to release. OJP further stated that CCLP has provided documentation to support the distribution of these policies and procedures to the staff responsible for managing federal funds. Therefore, OJP requested closure of this recommendation.

CCLP agreed with our finding and recommendation. With its response, CCLP provided a copy of its written policies and procedures which outlined the requirements for federal grants. The CCLP policy detailed that the lead person on the project is responsible for ensuring that accurate award information, including the specific federal funding agency, is included in all written materials and publications. Furthermore, CCLP's Executive Director, Deputy Director, or a second person working on the project, is responsible to review written materials at least 48 hours prior to release. In addition, the policy outlined how the initial and second review should be documented, with the lead person responsible for ensuring that a second person reviews the materials prior to release.

Based on our review of the documentation provided, this recommendation is closed.

2. Work with CCLP to implement policies and procedures to collect, review, and submit accurate OJP program performance reports, as required by the DOJ Grants Financial Guide.

Closed. OJP agreed with our recommendation. OJP stated in its response that CCLP provided a copy of written policies and procedures it has developed and implemented to ensure that semi-annual program performance reports are accurate and supported by source documentation maintained for future auditing purposes. OJP further stated that CCLP has provided documentation to support that the procedures were distributed to staff responsible for managing federal funds. Therefore, OJP requested the closure of this recommendation.

CCLP agreed with our finding and recommendation. With its response, CCLP provided a copy of written policies and procedures that outlined the requirements for federal grants. The CCLP policy detailed that the lead person on the project is responsible for accurately collecting information and submitting performance reports. Furthermore, the CCLP Executive Director, Deputy Director, or a second person working on the project, should review all performance reports at least 48 hours prior to the submission of the reports to the federal agency. Lastly, the policy outlined how the initial collection of information and its review should be documented.

Based on our review of the documentation provided, this recommendation is closed.

3. Require CCLP officials to develop and implement policies and procedures to verify, in the SAM database, contractors, consultants, and individuals it plans to conduct business with, as required by the DOJ Grants Financial Guide.

Resolved. OJP agreed with our recommendation. In its response, OJP stated that CCLP provided a copy of written policies and procedures that it has developed to ensure that it obtains suspension and debarment certifications from applicable vendors or subrecipients prior to signing an award or contract. However, OJP noted that CCLP's procedures stated that a second person will review the SAM.gov database search with the lead person. OJP believes that CCLP should document the results of the search to ensure that supporting documentation from its review of the SAM database would be maintained for future auditing purposes. OJP also stated that it will coordinate with CCLP to obtain a copy of its revised policies and procedures to ensure that the suspension and debarment certifications are obtained from vendors or subrecipients receiving \$25,000 or more in federal funds, prior to signing the award or contract for future auditing purposes.

CCLP agreed with our finding and recommendation. With its response, CCLP provided a copy of written policies and procedures which outlined the requirements for federal grants. The CCLP policy detailed the lead person or designee will review all contractors, consultants, and individuals in the SAM

database, and provide certification or proof of clearance, prior to submission of any proposed federal grant, contract, or cooperative agreement. In addition, the Executive Director, Deputy Director, or a second person working on the project, should review the SAM database search with the lead person on the project.

This recommendation can be closed when we receive evidence that CCLP revised policies and procedures to verify, in the SAM database, the eligibility of contractors, consultants, and individuals it plans to conduct business with, as required by the DOJ Grants Financial Guide. To address this issue, CCLP also should provide evidence that its staff members have received and adhere to the new policy and procedures.

4. Work with CCLP to implement procedures whereby a responsible official (e.g., with firsthand knowledge of the work performed), reviews and approves employee timesheets.

Closed. OJP agreed with our recommendation. OJP stated in its response that CCLP has provided a copy of written policies and procedures, it has developed, and implemented, to ensure that an official with firsthand knowledge of the work performed reviews and approves employee timesheets. Therefore, OJP requested the closure of this recommendation.

CCLP agreed with our finding and recommendation. With its response, CCLP provided a copy of written policies and procedures which outlined the requirements for federal grants. CCLP's policy detailed the lead person of the project is responsible for reviewing and approving timesheets for staff working on the project within four days of the end of each month. Also, in the event the lead person is unavailable, the Executive Director, Deputy Director, or another person with firsthand knowledge of the work performed will review and approve timesheets for staff working on the project.

Based on our review of the documentation provided, this recommendation is closed.

5. Remedy \$28,463 in questioned costs associated with salaries and fringe benefits of unapproved employees charged to the cooperative agreement.

Resolved. OJP agreed with our recommendation. OJP stated in its response that CCLP did not agree that the salary for one employee should be disallowed because CCLP maintained regular contact with the Office of Juvenile Justice and Delinquency Prevention (OJJDP) and that OJJDP reviewed and approved a budget request pertained to the employee in question. Accordingly, OJP stated that it will review the \$28,463 in questioned costs and work with CCLP to remedy as appropriate.

CCLP did not agree with our finding and recommendation for one of two employees in question. In its response, CCLP stated that the questioned

costs associated with one of the employee's salaries and fringe benefits should be allowed. In summary, CCLP stated that it maintained regular contact with the OJJDP's grant manager and submitted a proposal and budget for the training and technical assistance (TTA), in which it received approval on April 18, 2019. Lastly, with its response, CCLP provided a copy of written policies and procedures that outlined the requirements for federal grants. CCLP's policy detailed the project lead to obtain approval by the federal agency through a Grant Adjustment Notice (GAN) if there is a change of CCLP personnel or consultant(s) on the project at any time.⁸

Our report notes CCLP's communication with OJJDP regarding one of its employee's involvement on a TTA assignment. However, based on the totality of the criteria, approved budget proposal, and other documents, the employee's role, activities, and involvement during the award actually qualified that individual as a key staff member for the subject award. Had CCLP submitted a GAN to request a change in key personnel, as stipulated by the DOJ Grants Financial Guide, OJJDP would have been able to approve the changes in key recipient staff.

Therefore, this recommendation can be closed when OJP has coordinated with CCLP to remedy the \$28,463 in questioned costs associated with salaries and fringe benefits of unapproved employees charged to the cooperative agreement.

6. Remedy \$7,585 in questioned costs associated with travel expenses incurred by two unapproved employees and the student intern.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$7,585 in questioned costs charged to the cooperative agreement and work with CCLP to remedy as appropriate.

CCLP partially agreed with our finding and recommendation. In its response, CCLP agreed that one employee and the student intern were unapproved, and therefore does not contest the disallowance for their travel expenses. However, CCLP further stated that the other employee, as mentioned in Recommendation 5, was authorized to work on the project, and that some of the travel costs associated with this employee should be allowed.

This recommendation can be closed when OJP has coordinated with CCLP to remedy the \$7,585 in questioned costs associated with travel expenses incurred by two unapproved employees and the student intern.

⁸ The DOJ Grants Financial Guide defines a GAN as a request to make a programmatic, administrative, or financial change to a grant. In addition, recipients must initiate a GAN for changes in scope, duration, activities, or other significant areas. Furthermore, the GAN may be initiated to request to change the name and contact information of the recipient or key recipient staff due to a permanent withdrawal, change in staff, or in case of a temporary absence. Specifically, the Uniform Guidance also stated that award recipients must request prior approvals from federal awarding agencies for changes in key staff (Title 2 C.F.R. §200.308(c)(2)).

7. Remedy \$10,158 in unallowable consultant's costs due to the lack of a written conflict of interest disclosure to OJJDP.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$10,158 in questioned costs charged to the cooperative agreement and work with CCLP to remedy as appropriate.

CCLP agreed with our finding and recommendation. In its response, CCLP stated that it does not contest the disallowance of the costs for the two consultants.

Therefore, this recommendation can be closed when OJP has coordinated with CCLP to remedy the \$10,158 in unallowable consultant's costs due to the lack of a written conflict of interest disclosure to OJJDP.

8. Coordinate with CCLP to update its conflict of interest policies and procedures in accordance with the DOJ Grants Financial Guide.

Resolved. OJP agreed with our recommendation. OJP stated in its response that CCLP provided a copy of its revised written conflict of interest (COI) policies and procedures; however, the policy will be presented for approval at CCLP's next Board of Directors meeting in March 2021. OJP also stated in its response that it will coordinate with CCLP to obtain a copy of the finalized and approved COI policy.

CCLP agreed with our finding and recommendation. With its response, CCLP provided a copy of its revised written COI policies and procedures, which requires employees or consultant(s) disclose whether an actual or potential conflict of interest may exist with respect to the involvement of any CCLP staff member, consultant, intern, or other individual or entity, in accordance with the DOJ Grants Financial Guide. Additionally, CCLP's policy detailed that if there was to be a potential COI matter, the lead person should notify the Executive Director, and in turn, the Executive Director and the lead person should communicate with the Board of Directors to determine how the matter should be resolved. Further, CCLP stated in its response that the COI policy will be presented for approval at its Board of Directors meeting in March 2021.

The OIG reviewed the revised COI policy provided by CCLP. While the policy generally requires the disclosure of an actual or potential of COI matters internally, it does not have a provision that requires CCLP to disclose COI matters to an awarding agency.

Therefore, this recommendation can be closed when we receive evidence that OJP has coordinated with CCLP and obtained an updated copy of its finalized and approved COI policy. In addition, such procedures should include a provision that requires CCLP to disclose COI matters to the appropriate awarding agency.