



Audit of the Office of Justice Programs Grants
Awarded to the Georgia Department
of Juvenile Justice,
Decatur, Georgia

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Redactions were made to the full version of this report for privacy reasons. The redactions are contained only in Appendix 3, the grantee's response, and are of an individual's contact information.



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Grants Awarded to the Georgia Department of Juvenile Justice, Decatur, Georgia

Objectives

The Office of Justice Programs' (OJP) Office of Juvenile Justice and Delinquency Prevention (OJJDP) awarded the Georgia Department of Juvenile Justice (GDJJ) two grants totaling \$1,650,000 under the Second Chance Act program grants. 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 the grantee demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded that the GDJJ provided services to youth offenders as stated in the goals and objectives for one of the grants. For the other grant, the GDJJ did not achieve the stated goals and objectives by the end of the grant period. Goals and objectives for both grants did not allow for the GDJJ to measure the impact on recidivism during the grant periods. We also identified concerns with the GDJJ grant financial management practices, hiring of grant-funded personnel, expenditures, contractor oversight, drawdowns, and financial reporting.

The audit revealed \$604,051 in dollar-related findings. Specifically, we identified \$433,727 in unsupported matching costs, contractor payments, travel costs, and drawdowns. We also identified unallowable costs for positions and contractor payments totaling \$170,324.

Recommendations

Our report contains 21 recommendations for OJP. We requested a response to our draft audit report from OJP and the GDJJ, which can be found in Appendices 4 and 3, respectively. Our analysis of those responses is included in Appendix 5.

Audit Results

The purposes of the two OJP Second Chance Act program grants we reviewed were to support state, local, and tribal governments and nonprofit organizations in their work to reduce recidivism and improve outcomes for people returning from state and federal prisons, local jails, and juvenile facilities. The project period for the grants was from October 2016 through September 2019. As of August 2019, the GDJJ drew down a cumulative amount of \$1,001,450 for both grants we reviewed.

Program Goals and Accomplishments

The GDJJ accomplished or was making progress to accomplish the grant objectives we tested. It had not yet accomplished grant goals to reduce recidivism because accomplishing those goals required sustained effort beyond the periods of the grant awards.

Grant Financial Management

The GDJJ grant financial practices could be improved. Because of weaknesses identified with accounting records, the GDJJ lacks assurance that its staff understood grant requirements.

Grant Expenditures

The GDJJ did not provide support for matching contributions (\$282,860), contractor payments (\$110,581), and travel costs (\$3,261). The GDJJ expended grant funds for 7 unallowable positions (\$168,404) and 24 unallowable contract hours (\$1,920).

Drawdowns

The grant expenditures recorded in the GDJJ accounting records did not support \$37,026 in drawdowns.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of two grants awarded by the Office of Justice Programs' (OJP) Office of Juvenile Justice and Delinquency Prevention (OJJDP) under the Second Chance Act to the Georgia Department of Juvenile Justice (GDJJ) in Decatur, Georgia. The two grants awarded to GDJJ totaled \$1,650,000, as shown in Table 1.¹

Table 1

Grants Awarded to the GDJJ

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2016-CZ-BX-0003	OJJDP	09/19/2016	10/01/2016	09/30/2019	\$1,000,000
2016-CZ-BX-0008	OJJDP	09/19/2016	10/01/2016	09/30/2019	650,000
				Total:	\$1,650,000

Source: OJJDP

Funding through the Second Chance Act authorizes the DOJ to award grants to states to improve reentry outcomes for incarcerated youth. This program provides grants to support the implementation of an existing statewide plan to better align juvenile justice policy, practice, and resource allocations with what research shows works to reduce recidivism and improve outcomes for youth in the juvenile justice system.

The Grantee

The GDJJ is a governmental agency that provides a wide range of services for youth offenders across the state of Georgia. The GDJJ serves the state's youth offenders up to the age of 21 and works to redirect and shape the lives of persons in its care. The GDJJ provides educational opportunities, improves the system of care for the mental health needs, and conducts retention and succession planning for youth offenders. The GDJJ also responds to the needs of human trafficking victims and families throughout the state. The GDJJ supervises nearly 13,000 youth, with approximately 10,000 in a community setting.

OIG Audit Approach

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 grant; and to determine whether the grantee 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,

¹ As shown in Table 1, the grants reviewed expired on September 30, 2019. During the audit, the GDJJ received another OJJDP grant with a project period of October 1, 2019, through September 30, 2022. The management improvement recommendations discussed in this audit report are addressed to OJP to ensure that the GDJJ develops and implements policies and procedures to strengthen its grant management practices for this award and future DOJ awards.

budget management and control, drawdowns, and federal financial reports. We tested compliance with what we consider to be the most important conditions of the grants. The DOJ Grants Financial Guide and the award documents contain the primary criteria we applied during the audit. 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 interviewed grantee officials and reviewed required performance reports, grant solicitation documents, and other grant documentation to determine whether the GDJJ demonstrated adequate progress towards achievement of the program goals and objectives. We also reviewed the Progress Reports (progress reports) to determine if the required reports were accurate. Finally, we reviewed GDJJ's compliance with the special conditions identified in the award documentation.

Program Goals and Objectives

In September 2016, OJJDP awarded Grant Number 2016-CZ-BX-0003 for the GDJJ to enhance services provided to youth upon reentry into the community and lower the recidivism rate. In its application, the GDJJ stated that it would accomplish this by increasing job training and employment opportunities, housing, and substance abuse program participation, as well as reduce violations of supervised-release conditions and drug and alcohol abuse. In July 2018, the GDJJ received approval from OJP to revise the grant goals and objectives and extend the grant end date to September 30, 2019. With the revised grant goals and objectives, the GDJJ worked to realign the program to improve its current case management practices for treatment and post-release planning for the youth detained in its facilities to continue working toward reducing recidivism. With these revisions, the GDJJ sought to improve its processes for planning for releases, strengthen procedures for program evaluations, increase the number of youth receiving substance abuse treatment, improve access to and enrollment in community-based schools for youth offenders after release, and build connections to families and community-based resources. We tested GDJJ's accomplishment of objectives pertaining to mentoring training, enrollment in substance abuse programs, and technical and life-skill training for youth at the GDJJ's seven detention centers. We found that these objectives were accomplished.

In September 2016, the GDJJ also received Grant Number 2016-CZ-BX-0008 to assist with the implementation of its community supervision strategic plan. The GDJJ stated in its application that it would use the grant to match the services provided to the youth needs, lower the current recidivism rate, increase the number of youth that successfully complete its programs, improve family engagement, and provide community-supervision training to its staff. In October 2017, OJP approved a revision to the grant's goals and objectives as well as an extension for the grant through September 30, 2019.² The revised grant goals and objectives focused on the development of a new case management model to further the GDJJ efforts to reduce recidivism. The new case management model required revisions to the GDJJ's current policies, procedures, and practices for collecting and using data to improve community supervision efforts. The GDJJ sought to integrate the principles of risk, need, and responsivity to its case

² The original award period was from October 1, 2016, through September 30, 2018. A GDJJ official told us that the GDJJ experienced challenges with implementing a statewide community supervision model related to the length of training, sustainability, contracts, and data collection. Because of these challenges, the GDJJ discontinued the implementation plan and revised the grant goals and objectives.

management efforts, provide case managers with better behavior and reentry techniques, improve case closure, address youth trauma, and encourage family engagement.

We tested the accomplishment of the objective to develop a new case management model, but a GDJJ official told us the project was not completed by the end of the extended grant period because the contractor was still working to complete the evaluation of the case management model. The official told us that the GDJJ planned to continue working with the contractor on the development and validation of the case management model.³ The official said the GDJJ will measure the success of this program by implementing a successful case management tool to monitor whether the behavior of released youth in the community leads to reduced recidivism. We recommend that OJP ensure that the GDJJ provides documentation to support the completed and implemented case management model.

Despite the grant activities discussed previously, we were unable to determine if the overall goal of each grant reduced recidivism or was on track to reduce recidivism. This is because GDJJ officials told us that they had not completed any studies on recidivism as a result of the grant-funded programs. The officials also told us that such studies typically take 3 years to develop once a program has been fully implemented. The officials told us that they will work to identify baseline statistics, measure progress toward goals, and track the statistics for the purpose of preparing these studies.

We also determined that the approved grant goals did not align with the performance measures from the OJJDP FY 2016 Second Chance Act Smart on Juvenile Justice: Community Supervision Implementation solicitation. OJP officials told us they are aware that performance measures from the solicitation do not align with the project and are assessing ways to prevent this in the future. Because the GDJJ could not provide evidence of whether the intended outcomes were achieved at the end of the grant periods, along with the challenges the GDJJ experienced with the program, we recommend that OJP ensure that the GDJJ develops and implements a strategy to routinely assess and report on the reduction in youth crime and recidivism for both grants reviewed and future DOJ with goals of reducing recidivism.

Required Progress Reports

According to the DOJ Grants 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. To verify the information in the progress reports submitted by the GDJJ, we selected a total of six performance measures from the two most recent progress reports for Grant Number 2016-CZ-BX-0003. We traced the items to the supporting documentation maintained by the GDJJ for the grant. Our results are represented in Table 2.

³ The contractor completed the draft case management model in September 2019 and provided the GDJJ with their initial findings and recommendations.

Table 2

**Performance Measures Reviewed for
Grant Number 2016-CZ-BX-0003**

Performance Measure	Reporting Period	Number Reported	Number Supported	Difference
Mentoring Training	January 1, 2019 - June 30, 2019	12	5	(7)
		164	177	13
		14	26	12
Technical School Certification	July 1, 2018 – December 31, 2018	36	34	(2)
Life-Skill Program	July 1, 2018 – December 31, 2018	15	15	-
Mentoring Training	July 1, 2018 – December 31, 2018	174	180	6
		19	30	11
		16	15	(1)
Substance Abuse Program Participation	July 1, 2019 – June 30, 2019	149	141	(8)
Technical Training Certification	January 1, 2019 – June 30, 2019	32	32	-

Source: OJP and the GDJJ

As shown in Table 2, the GDJJ progress reports we reviewed contained understated numbers for individual sessions and youth participants. For example, in one report the GDJJ reported that 164 individual sessions were provided to 14 participants, but documentation supported 177 individual sessions provided to 26 participants. In another, the GDJJ reported that 174 individual sessions were provided to 19 participants, but documentation supported that 180 individual sessions were provided to 30 participants. In other instances, the numbers reported were slightly overstated. GDJJ officials told us the difference occurred because of the transition that occurred in its tracking system. During the preparation of the reports, the GDJJ experienced system changes and some numbers for individual sessions and participants were not included in the new system.

For Grant Number 2016-CZ-BX-0008, we also sought to assess the accuracy of the two most recent progress reports. We selected a sample of program accomplishments and requested the GDJJ supporting documentation. However, GDJJ officials told us that the reports erroneously contained data for program operations of the entire the GDJJ rather than grant-specific data. Because the reported data was significantly overstated, we did not verify the information reported. The officials also told us they took corrective action to ensure that data submitted in future progress reports will be reviewed for accuracy prior to report submission. During the audit, GDJJ officials contacted OJP regarding the inaccurate progress reports, but at the time of the audit, corrected reports had not been submitted.

Given these discrepancies, we recommend OJP ensure that the GDJJ develops and implements procedures to ensure that each progress report contains accurate information supported by verifiable documentation.

Compliance with Special Conditions

Special conditions are the terms and conditions that are included with the awards. We evaluated the special conditions for each grant and selected a judgmental sample of the requirements that are significant to performance under the grants and are not addressed in another section of this report. We evaluated three special conditions for each grant reviewed. For both grants, we reviewed: (1) required training for all GDJJ officials serving as grant and financial points of contact, (2) the requirement to report potentially duplicative funding, and (3) requirements for the awarding of procurement contracts above \$150,000.

We found that for both grants we audited the GDJJ did not comply with the training requirement for its points of contact to successfully complete an OJP financial management and grant administration training within 120 days after the acceptance of each award. GDJJ officials told us the training was not completed timely and that they had no explanation for the delay. We found that the GDJJ complied with the requirements to report duplicative funding and for the awarding of procurement contracts above \$150,000. Although the grants we audited had expired prior to issuance of our audit report, during the audit the GDJJ was awarded a successor grant that we did not audit. Given the successor grant and potential future grant awards, we recommend that OJP ensure the GDJJ establishes policies and procedures to accomplish the required training for its points of contact within 120 days after the acceptance of each award.

Contractors

According to the DOJ Grants Financial Guide, grant recipients may enter contracts to purchase goods and services from another entity. Grantees must maintain written standards for the awarding and administration of contracts and to ensure that contractors perform in accordance with the terms and specifications of their awards. For procurement transactions using federal award funds, the grantees must use their own documented procurement procedures consistent with applicable state, local, and tribal laws, and regulations.

The GDJJ awarded six contracts with a total value of \$506,826 for the grants we audited. We selected three of the six contracts to review the GDJJ contract management practices. For Grant Number 2016-CZ-BX-0003, we selected one of two contracts awarded. The selected contract was for \$110,000 to provide training as a resource to address recidivism. The contract covered the period of June 2018 to September 2018 and was later extended to September 2019. For Grant Number 2016-CZ-BX-0008 we selected two of four contracts awarded. The selected contracts, as amended, were for \$16,480 and \$52,855 and were awarded to two separate contractors to provide trauma management training. These contracts covered the period December 2018 through September 2019.

Contract Performance Monitoring

The GDJJ is required to follow the procurement procedures for the state of Georgia and as contained in the GDJJ Contract Procedure Manual, which established competitive bid exemption requirements for certain types of goods and services. For the grants we audited, all contracts were established under the competitive bid exemption requirements. Once contracts are awarded, a designated GDJJ staff person develops a contract administration plan (CAP) detailing performance expectations and establishing requirements for the frequency of monitoring, invoicing for services, and contract compliance. The CAP also requires quarterly meetings with designated staff persons throughout the grant period.

The GDJJ developed CAPs for the three contracts we reviewed. However, the CAPs did not include all the specific elements outlined in the GDJJ procedure manual. For Grant Number 2016-CZ-BX-0003, the CAP prepared by the GDJJ for the contract we reviewed did not include required elements for frequency of monitoring, invoicing for services, and contract compliance. For Grant Number 2016-CZ-BX-0008, the CAPs prepared by the GDJJ for the two contracts reviewed did not include required elements for invoicing services and contract compliance. We asked GDJJ officials to explain the missing elements, but their responses did not address specific reasons for the incomplete elements. Because the required elements were not included in each CAP, the GDJJ is not assured that a complete monitoring strategy has been established for each contract. Based on our review of the contract files and discussions with GDJJ managers, we concluded that the staff were not sufficiently trained in the contracting requirements. We recommend that OJP ensure that GDJJ employees are fully trained on requirements for preparing a complete CAP for each contract awarded and supervisors and managers re-emphasize to their staff the need to ensure a complete CAP is prepared for each contract awarded.

The GDJJ Contract Procedure Manual requires quarterly meetings between the GDJJ and contractor staff to review compliance with the contract requirements. Although GDJJ officials told us these quarterly meetings were consistently held with each contractor for both grants reviewed, the GDJJ did not maintain any documentary support for the meetings. Records supporting communication between the GDJJ and its contractors would provide for accountability and a resource to resolve potential conflicts that may occur between the parties. Consequently, we recommend that OJP ensure that the GDJJ maintains documentation for quarterly meetings held with its contractors and enforces the contract monitoring requirement for future grant-funded contracts.

Financial Monitoring

As noted in the *Other Direct Costs* section of this report, we identified numerous concerns with GDJJ practices for monitoring financial transactions. Based on these concerns, we discussed with GDJJ officials their processes for evaluating contractor financial performance prior to making contract payments. GDJJ officials told us that they review materials produced, hold meetings with contractors, and obtain participant feedback for activities such as training to determine if invoices were accurate prior to payment. While these activities provide valuable insight into the performance of contractors, the procedures for reviewing contractor billing could also be improved. The GDJJ lacked written procedures requiring staff to verify contractor billings to supporting documentation. Robust procedures to tie contractor invoices to supporting documentation would strengthen GDJJ's contractor oversight and ensure that contractual services billed are received prior to payments being made. Such procedures are required by the DOJ Grants Financial Guide. GDJJ officials told us that the agency's Contract Procedure Manual is being updated. Therefore, we recommend that OJP ensure the GDJJ, as part of its update to its

Contract Procedure Manual, includes strengthened procedures for review of contractor billing so that appropriate support is provided and assessed for all contractor costs billed and paid.

Grant Financial Management

According to the DOJ Grants Financial Guide, all grant recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to account accurately for awarded funds. To assess GDJJ's financial management of the grants covered by this audit, we conducted interviews with financial staff, examined policy and procedures, and inspected grant documents to determine whether the GDJJ adequately safeguarded the grant funds we audited. We also reviewed the state of Georgia's Single Audit Reports for fiscal years (FYs) 2016, 2017, and 2018 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 grants, as discussed throughout this report. We concluded that the GDJJ's financial management of the grant awards we audited could be improved. In the subsequent sections of this report, we identify numerous significant issues pertaining directly or indirectly to the GDJJ's financial management of the grants.

For example, the GDJJ did not always hire personnel in accordance with its approved grant budget, and had unfilled positions during portions of the grant, which resulted in \$282,860 in unsupported matching costs contributions. The GDJJ also expended grant funds totaling \$168,404 for seven unallowable positions. We also tested direct cost expenditures for supplies and travel expenses and found that \$3,621 in these costs were not supported by sufficient documentation as required.

Based on our tests of billings for contract and consultant charges to the grant, we identified \$110,581 in unsupported and \$1,920 in unallowable costs. Finally, 4 of 15 drawdown requests we tested could not be reconciled to GDJJ's system for tracking grant expenditures and we determined that GDJJ's accounting records did not support drawdowns totaling \$37,026. Details on each of these concerns are contained in the subsequent sections of this report.

Staff Turnover and Training

In accordance with the state of Georgia's accounting policy and procedures, the GDJJ records grant awards in its accounting records in the fiscal year for which they are awarded. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the funds available. Because of this practice, estimates and adjustments were made to reflect the actual grant financial activity.

We reviewed the grants' general ledger and identified adjustments to record grant drawdowns and expenditures, and requested explanations. GDJJ staff responsible for grant financial accounting departed unexpectedly and the supervisor accepted another position. The replacement staff reviewed the general ledger transactions seeking to respond to our questions regarding how grant drawdowns and expenditures had been recorded. The staff concluded that adjustments were needed to correct the grant revenues and drawdowns received. The staff told us that prior staff recorded anticipated drawdown amounts as revenue and also recorded actual drawdowns as revenue, thus overstating revenue to the grant accounts. During the audit, GDJJ staff sought to correct the overstated revenues in the grants' financial records. The GDJJ provided the corrected records to us for additional testing, which eliminated some of our preliminary concerns regarding GDJJ's financial management. However, as

demonstrated in the subsequent sections of this report, we identified numerous other weaknesses in various aspects of financial management. Therefore, we recommend that OJP ensure that the GDJJ develops and implements a training program for all current and future financial staff to ensure those persons fully understand federal and state grant financial requirements.

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 provides for recipients of federal funding above a certain threshold to 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.⁴

We reviewed the single audit reports submitted by the state of Georgia for FYs 2016, 2017, and 2018. In each of the audit reports, the state of Georgia was considered high risk based on findings pertaining to non-DOJ programs. However, we did not identify deficiencies or material weaknesses specifically related to the GDJJ or DOJ grant awards.

Grant Expenditures

For Grant Numbers 2016-CZ-BX-0003 and 2016-CZ-BX-0008, the approved budgets included personnel, fringe benefits, travel, supplies, consultants, and contracts. The GDJJ was required to expend \$1,000,000 in local funds for Grant Number 2016-CZ-BX-0003, and \$650,000 for Grant Number 2016-CZ-BX-0008, which represents a 50 percent of the project costs. To determine if costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested personnel records for grant-related staff and sampled transactions as described below. We reviewed documentation and accounting records, and we performed verification testing for grant expenditures. Based on this testing, we recommend that the GDJJ remedy \$604,052 in questioned costs. The following sections describe the results of our testing.

Personnel Costs

For the grant awards reviewed, the approved budgets included personnel costs for specific positions totaling \$850,751 (85 percent of total project costs) for Grant Number 2016-CZ-BX-0003 and \$183,584 (28 percent of total project costs) for Grant Number 2016-CZ-BX-0008. The GDJJ also contributed matching contributions of personnel expenditures totaling \$991,491 (99 percent of the matching cost requirement) for Grant Number 2016-CZ-BX-0003 and \$469,582 (72 percent of the matching cost requirement) for Grant Number 2016-CZ-BX-0008.

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

We reviewed personnel files and other documents pertinent to the grant periods of October 1, 2016, through September 30, 2019, for both grants.⁵ We verified the employment and salary histories for all grant-funded and matching cost-funded staff members. From this analysis we concluded that the GDJJ did not always hire for approved positions or consistently fill positions funded by the grant and matching contributions. As a result, the GDJJ did not provide the level of services to which it agreed to in the grant application, did not receive approval from OJP for such a change in scope, and did not fully support its matching contributions.

Personnel Costs for 2016-CZ-BX-0003

For Grant Number 2016-CZ-BX-0003, the GDJJ was approved to hire four full-time and three part-time reentry specialists, two school coordinators, and one technology specialist. The budget for those positions was \$570,481 or 57 percent of the grant award. We determined the GDJJ hired the seven reentry specialists and the technology specialist. The GDJJ also hired a social services program coordinator and an education transition specialist instead of the two school coordinators. GDJJ officials told us the unapproved positions had the same job description as the budgeted positions. The GDJJ provided an education transition specialist job description along with documentation to support the individuals hired in the two positions. However, the GDJJ did not request approval from OJP to fund these positions using grant funds. Because the GDJJ expended grant funds for two positions not approved in the grant budget in lieu of the school coordinators, we consider the \$55,384 in expenditures charged to the grant for those positions to be unallowable questioned costs, and we recommend that OJP remedy the questioned costs.

For Grant Number 2016-CZ-BX-0003, OJP approved the GDJJ to use as matching costs a percentage of the salaries and fringe benefits for the following positions: assistant director (100 percent), strategic implementation manager (100 percent), program coordinator supervisor (85 percent), program coordinator (83 percent), two resource coordinators (85 percent), regional treatment service specialist (85 percent), and administrative assistant (100 percent).

Grant Number 2016-CZ-BX-0003 also required 18 personnel to provide 24 months each of youth reentry services with the goal of reducing youth recidivism. Of those personnel, 10 were grant-funded, while the remaining 8 were to be funded by the GDJJ as part of its matching requirement. However, we found that one of the grant-funded positions and seven of the match-funded positions were vacant during the entire 24 months. Additionally, two of the grant-funded positions were vacant for 15 of the 24 months, while one of the match-funded positions was vacant for 18 of the 24 months. GDJJ officials told us that this occurred because of difficulties they experienced identifying qualified applicants. As a result, we concluded that the GDJJ provided about 78 percent of the level of services required for the grant-funded positions, and 3 percent of the match-funded positions' level of service.

Also, for the same grant, as of March 20, 2020, the GDJJ identified in its accounting records match-related transactions totaling \$1 million in costs incurred during the grant period. This included 24 months of salary and fringe benefits for the one GDJJ funded staff member providing youth reentry services

⁵ The personnel files the GDJJ supplied were incomplete and did not always contain employment documents necessary to verify hire dates, departure dates, and salaries. To address employment gaps, the GDJJ provided additional documentation from sources within the human resources office to support the incomplete personnel files.

discussed above. However, as previously discussed, this staff member worked on the grant for only 6 rather than the required 24 months. For the 18 months not spent working on the grant, we calculated salary and fringe benefit costs for the position to be \$58,939. We consider this amount to be unsupported matching costs, and we recommend that OJP remedy the \$58,939.

Personnel Costs for 2016-CZ-BX-0008

The GDJJ received Grant Number 2016-CZ-BX-0008 to hire three regional specialists. The budget for the three regional specialists was \$180,960 or 28 percent of the grant award. However, the GDJJ did not hire the approved grant-funded positions, but instead hired five support service workers for whom it did not request OJP approval. GDJJ officials again did not provide us with an explanation for charging the unapproved positions to the grant. Because the GDJJ expended grant funds for five positions not approved in the grant budget, we consider the \$113,020 in grant funds spent for those positions to be unallowable questioned costs, and we recommend that OJP remedy the questioned costs.

Grant Number 2016-CZ-BX-0008 also required 18 personnel to provide 24 months of community supervision. Of those personnel, 3 were grant-funded positions and 15 were match-funded. Regarding the grant-funded positions, the GDJJ charged costs associated with five support service workers instead of the three regional specialists approved for in the budget. However, these positions experienced high levels of turnover and the GDJJ experienced difficulties with hiring staff. As a result, we concluded that GDJJ used the five unallowable support service workers discussed above to perform about 61 percent of the required level of service.

Regarding the 15 match-funded positions for Grant Number 2016-CZ-BX-0008, the GDJJ considered the costs associated with 17 individuals as support for its matching costs. However, after reviewing personnel files and supporting documentation provided by the grantee, only 10 of those individuals worked on grant-funded activities. Further, those 10 individuals did not work the length of time as outlined in the approved grant budget. We assessed the supporting documentation provided by the grantee for the matching costs charges for the 10 staff members and determined that they provided only 45 percent of the level of effort agreed to in the approved grant budget. We discuss the costs associated with this deficiency in the paragraph below.

For Grant Number 2016-CZ-BX-0008, as of March 20, 2020, the GDJJ identified in its accounting records match-related transactions totaling \$639,630 in costs incurred during the grant period. As previously discussed, despite the approved budget to use 15 positions towards the grant match requirement, the GDJJ could only support that charges associated with 10 positions were for activities that fulfilled its match requirement. We calculated the salaries and fringe benefits for the 10 staff members who worked on grant activities and adjusted those salaries and fringe benefits for time not worked on grant-related activities. This calculation identified \$415,709 in supported match-related costs. Consequently, we question \$223,921 (\$639,630 - \$415,709) as unsupported matching costs, and we recommend that OJP remedy the questioned costs.

Personnel Cost Summary

Although the grants we audited have ended, at the time of this audit report the GDJJ had received from OJP a successor grant. Given that successor award, we recommend that OJP ensure that the GDJJ

establishes and implements procedures to ensure that OJP approval is obtained prior to using grant funds for positions not approved in the grant budget.

In summary, for Grant Number 2016-CZ-BX-0003 the GDJJ replaced grant-funded positions with other positions of a different title that did not contribute to the budgeted level of effort for the approved positions. Also, for that grant, the GDJJ did not contribute match-funded positions as provided for in the approved grant budget. For Grant Number 2016-CZ-BX-0008, the GDJJ filled positions not approved in the grant budget, and we were unable to fully assess the level of effort contributed by replacement positions. Also, for that grant, the GDJJ again did not contribute match-funded positions as provided for in the approved grant budget. For each of these changes to the approved grant budgets, the GDJJ should have contacted OJP to request a Grant Adjustment Notice approving the changes; however, no such requests were made. Given these challenges, we recommend that OJP ensure that the GDJJ develops and implements procedures to ensure that both grant and matching costs-funded positions are filled and charged to the grants in accordance with the approved budgets or approval for an adjustment to the budgets is sought from OJP.

Matching Costs

Matching costs are the non-federal recipient's share of the total project costs. The GDJJ was required to provide matching costs of \$1 million for Grant Number 2016-CZ-BX-0003 and \$650,000 for Grant Number 2016-CZ-BX-0008, which was 50 percent of total project costs for each grant. The approved grant budgets identified salaries and fringes for specific positions to support matching costs. At the time of the audit, the GDJJ had drawn down \$861,741 for Grant Number 2016-CZ-BX-0003 grant and anticipated drawing more of the remaining funds based on obligations made prior to expiration of the grant. Also, at the time of the audit, the GDJJ had drawn down \$139,709 for Grant Number 2016-CZ-BX-0008 and anticipated drawing more of the remaining funds based on obligations made prior to expiration of the grant. Because OJP had placed a hold on further draws pending completion of this audit, it was not clear to us what the total draws for each grant would ultimately be. A reduction in total draws for each grant could reduce the total project costs and possibly have implications for the match requirement discussed in the *Personnel Costs* section above. We note that the GDJJ represented to us that the original match amounts had been met.

Other Direct Costs

We tested additional direct cost expenditures for supplies, travel expenses, and contractor expenses. For Grant Number 2016-CZ-BX-0003 we selected 60 transactions totaling \$215,667, which was 25 percent of the total grant expenditures of \$861,741. We determined that 14 of the 60 transactions totaling \$69,462 were unsupported as follows. Contractor costs totaling \$68,441 did not include adequate support for the costs billed.⁶ We reviewed transactions associated with invoices submitted by the contractor, and each invoice contained only summary costs by category such as salary, fringe benefits, and travel expenses. The GDJJ paid these invoices absent of supporting documentation, although the contract states that the

⁶ We also selected this contractor as part of our performance testing, and the details of that testing are discussed in the *Contractors* section of this report.

contractor must provide details that the deliverables billed have been delivered pursuant to the contract. The GDJJ staff told us that the invoices were paid based on their knowledge of the contractor's progress.

The GDJJ requested additional documentation from the contractor and was told its accounting system does not allow for the allocation of personnel costs to specific tasks performed. The time spent on projects is based on the percentage of time spent on a given project and assessed over a designated pay period. The contractor submits invoices with itemizations for salary, fringe benefits, and other costs at a given rate. The GDJJ requested and the contractor advised that more detailed invoices could be requested from their accounting office.

The GDJJ provided documentation to support its email communication with the contractor along with the contractor's daily log. However, this documentation did not provide reasonable basis on which to support the contractor's invoices submitted to and paid by the GDJJ. As a result, we consider the contractor costs to be unsupported and recommend that OJP remedy the unsupported costs of \$68,441. The other transactions we tested consisted of two reimbursements requested by GDJJ employees for travel-related expenses. The two transactions totaled \$1,021 and were not supported by receipts or other documentation as required by the Georgia travel regulations. We recommend that OJP remedy the unsupported costs of \$1,021.

For the 2016-CZ-BX-0008 grant we selected 71 transactions totaling \$153,150, which was 24 percent of the total grant expenditures of \$650,000. We determined that transactions for contract (\$42,140) and GDJJ employee travel-related (\$2,240) expenditures were unsupported and contractor billed hours (\$1,920) were unallowable. The details of our testing results are as follows. Contractor A billed and was paid for costs totaling \$32,700 for travel and meeting-related expenses. As with the contractor invoices discussed previously, each of the two invoices we tested contained only summary costs by general categories and we consider these costs to be unsupported. We consider the \$32,700 to be unsupported and recommend that OJP remedy the unsupported costs.

For Contractor B, which performed trauma case management, we tested 7 transactions valued at \$52,855 and found that support was not provided for four transactions as required in the contract. Subsequent to our testing, the GDJJ obtained from this contractor a certification for the hours worked, but no other details regarding the work performed was provided. Consequently, we consider the \$4,560 to be unsupported and recommend that OJP remedy the unsupported costs. For two other transactions valued at \$11,920, this contractor billed and the GDJJ paid for 149 hours for trauma training services, but the contract provided for a maximum of 125 hours. We considered the difference of 24 hours valued at \$1,920 to be unallowable costs, and we recommend that OJP remedy the unallowable questioned costs. For six of the transactions we tested, the GDJJ did not follow its policy for requiring 3-levels of review to verify the accuracy of invoices prior to payment.

GDJJ officials told us this occurred because the staff involved in invoice reviews did not fully understand the procedures required for the reviews. Given this, we recommend that OJP ensure the GDJJ ensure that all staff involved with invoice processing are fully trained in the requirements for invoice processing.

For Contractor C, also related to trauma case management, we tested 13 transactions valued at \$14,960 and found that support was not provided for 7 transactions as required in the contract. Again, subsequent to our testing, the GDJJ obtained from the contractor a certification for the hours worked, but no other details regarding the work performed was provided. Consequently, we consider the \$4,880 to be unsupported and recommend that OJP remedy the unsupported costs. For five of the transactions we tested, the GDJJ did not follow its policy for requiring 3-levels of review to verify the accuracy of invoices prior to payment. GDJJ officials told us this occurred because the staff involved in invoice reviews did not fully understand the procedures required for the reviews. As noted in the prior paragraph, we recommend that OJP ensure the GDJJ ensure that all staff involved with invoice processing are fully trained in the requirements for invoice processing.

Lastly, we tested 22 transactions valued at \$13,851 consisting of reimbursements requested by GDJJ employees for travel-related expenses. Two transactions totaling \$2,240 were not supported by receipts or other documentation as required by the Georgia travel regulations. We consider the \$2,240 to be unsupported and recommend that OJP remedy the unsupported costs.

Drawdowns

According to the DOJ Grants 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 grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. The GDJJ has written procedures for requesting drawdowns, which are prepared periodically on a reimbursement basis. Total expenditures from the accounting system are used to determine the drawdown amount. As of August 2019, the date of the last drawdown, the GDJJ requested and received payments for eight drawdowns totaling \$861,741 for Grant Number 2016-CZ-BX-0003 and seven drawdowns totaling \$139,709 for Grant Number 2016-CZ-BX-0008.

To assess whether the GDJJ managed grant reimbursements in accordance with federal requirements, we performed two types of tests. First, for both grants audited, we tied each of the individual drawdowns to expenditures recorded in the GDJJ accounting records for the period of the draw. Subsequently, we tied the total of all drawdowns for each grant to the total of expenditures recorded in the GDJJ accounting records over the life of each grant.

For Grant Number 2016-CZ-BX-0003, there were eight drawdowns during the period February 2018 through August 2019. We compared total drawdowns \$861,741 to the total grant expenditures of \$834,654 recorded in the accounting records. Based on this comparison, the GDJJ drew down \$27,087 more than what was supported in its accounting records. A former GDJJ official told us that the differences between the amounts drawn and expenditures per the accounting records occurred because expenditures were not always recorded in the accounting records for the correct period. We consider the difference of \$27,087 between total draws and expenditures in the accounting records to be unsupported questioned costs. We recommend that OJP remedy the \$27,087 in unsupported drawdowns.

For Grant Number 2016-CZ-BX-0008 there were seven drawdowns during the period February 2018 through August 2019. We compared total drawdowns of \$139,709 to the total grant expenditures of

\$129,771 recorded in the accounting records. Based on this comparison, the GDJJ drew down \$9,938 more than what was supported in its accounting records. A staff person acknowledged that two drawdowns did not reconcile to the accounting records and told us that the GDJJ was updating policies and procedures to prevent this in the future. We consider the difference of \$9,938 between total draws and expenditures in the accounting records to be unsupported questioned costs. We recommend that OJP remedy the \$9,938 in unsupported drawdowns. In addition, we recommend that OJP ensure the GDJJ's updated procedures for drawdowns properly describe the appropriate support for each drawdown and all GDJJ staff involved in drawdown activities are fully trained in the updated procedures.

Federal Financial Reports

According to the DOJ Grants 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. To determine whether the GDJJ submitted accurate Federal Financial Reports (FFRs), we compared the four most recent reports to GDJJ's accounting records for each grant.

For Grant Number 2016-CZ-BX-0003, the cumulative expenditures reported for three of four FFRs reconciled to GDJJ's accounting records. However, for one of the reports, the GDJJ reported expenditures of \$138,259 for the period ending September 30, 2019. According to the accounting records, the expenditures were \$144,123. GDJJ officials told us this difference occurred because grant expenditures were recorded incorrectly in the accounting records and would be updated to make the correction. For Grant Number 2016-CZ-BX-0008, the four FFRs tested reconciled to GDJJ's accounting records.

Conclusion and Recommendations

As a result of our audit testing, we conclude that the GDJJ did not adhere to all the grant requirements we tested. However, it demonstrated adequate progress towards achieving the grant's stated goals and objectives for Grant Number 2016-CZ-BX-0003 by providing mentoring, technical, and life-skill training. It also provided community-based rehabilitation services for youth at seven detention centers, although we identified several discrepancies or instances of noncompliance with those services. The GDJJ did not achieve the stated goals and objectives for Grant Number 2016-CZ-BX-0008. For both grants reviewed, the established output measures and projected outcomes did not allow for the GDJJ to identify a reduction of youth crime and recidivism. Additionally, we found that the GDJJ did not comply with essential award conditions related to financial management, hiring of personnel, grant expenditures, contractor monitoring, drawdowns, and federal financial reports. We provide 21 recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Ensure that the GDJJ provides documentation to support the completed and implemented case management model.
2. Ensure that the GDJJ develops and implements a strategy to routinely assess and report on the reduction in youth crime and recidivism for Grant Number 2016-CZ-BX-0003 and Grant Number 2016-BX-0008 and future DOJ grants with goals of reducing recidivism.
3. Ensure that the GDJJ develops and implements procedures to ensure that each progress report contains accurate information supported by verifiable documentation.
4. Ensure that the GDJJ establishes policies and procedures to accomplish the required training for its points of contact within 120 days after the acceptance of each award.
5. Ensure that GDJJ employees are fully trained on requirements for preparing a complete contract administration plan and supervisors and managers re-emphasize to their staff the need to ensure a completed CAP is prepared for each contract award.
6. Ensure that the GDJJ maintains documents for quarterly meetings held with its contractors and enforces the contract monitoring requirement for future grant-funded contracts.
7. Ensure that the GDJJ, as part of its update to its contract procedures manual, includes strengthened procedures for review of contractor billings so that appropriate support is provided and assessed for all contractor costs billed and paid.
8. Ensure that the GDJJ develops and implements a training program for all current and future financial staff to ensure those persons fully understand federal and state grant financial requirements.

9. Remedy \$55,384 in unallowable questioned costs for the hiring of two positions not approved in the grant budget.
10. Remedy \$58,939 in unsupported matching costs contribution for Grant Number 2016-CZ-BX-0003.
11. Remedy \$113,020 in unallowable questioned costs for the hiring of five support service positions not approved in the grant budget.
12. Remedy \$223,921 in unsupported matching costs contribution for Grant Number 2016-CZ-BX-0008.
13. Ensure the GDJJ establishes and implements procedures to ensure that OJP approval is obtained prior to using grant funds for positions not approved in the grant budget.
14. Ensure the GDJJ develops and implements procedures to ensure that both grant and matching costs-funded positions are filled and charged to the grant in accordance with the approved budget or approval for an adjustment to the budgets is sought from OJP.
15. Remedy \$68,441 in unsupported contract costs and \$1,021 in unsupported travel costs from Grant Number 2016-CZ-BX-0003.
16. Remedy \$42,140 in unsupported contract costs and \$1,920 in unallowable contract costs for Grant Number 2016-CZ-BX-0008.
17. Ensure the GDJJ ensure that all staff involved with invoice processing are fully trained in the requirements for invoice processing.
18. Remedy \$2,240 in unsupported costs for travel-related grant expenditures for Grant Number 2016-CZ-BX-0008.
19. Remedy \$27,087 in unsupported drawdowns for Grant Number 2016-CZ-BX-0003.
20. Remedy \$9,938 in unsupported drawdowns for Grant Number 2016-CZ-BX-0008.
21. Ensure that the GDJJ updated procedures for drawdowns properly describe the appropriate support for each drawdown and all GDJJ staff involved in drawdown activities are fully trained in the updated procedures.

APPENDIX 1: Objectives, Scope, and Methodology

Objectives

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 grant; and to determine whether the grantee 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 Office of Juvenile Justice and Delinquency Prevention(OJJDP) grants awarded to the Georgia Department of Juvenile Justice (GDJJ) under the Second Chance Act: Implementing Statewide Plans to Improve Outcomes for Youth in the Juvenile Justice System and Second Chance Act Smart on Juvenile Justice: Community Supervision. The GDJJ was awarded \$1,000,000 under Grant Number 2016-CZ-BX-0003 and \$650,000 under Grant Number 2016-CZ-BX-0008. As of August 2019, GDJJ had drawn down \$1,001,450 of the total grant funds awarded. Our audit concentrated on, but was not limited to October 1, 2016, the project start date for both grants, through April 2020. The project end date for the grants was September 30, 2019, and funds were not fully expended for the grants.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of the GDJJ activities related to the audited grants. We performed sample-based audit testing for grant 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 grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The OJP 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 the GDJJ 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 the GDJJ to provide assurance on its internal

control structure as a whole. GDJJ management is responsible for the establishment and maintenance of internal controls in accordance with Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. §200. Because we do not express an opinion on the GDJJ's internal control structure as a whole, we offer this statement solely for the information and use of the GDJJ and Office of Justice Programs.⁷

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 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.
Management should internally communicate the necessary quality information to achieve the entity's objectives.
Management should externally communicate the necessary quality information to achieve the entity's objectives.
Monitoring Principles
Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
Management should remediate identified internal control deficiencies on a timely basis.

We assessed operating effectiveness of these internal controls and identified some deficiencies that we believe could affect the GDJJ's ability to ensure compliance with certain award conditions. The internal control deficiencies we found are discussed in the Audit Results section of this report. 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.

⁷ 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

Description	Grant No.	Amount	Page
Questioned Costs:			
Unallowable Positions	2016-CZ-BX-0003	\$55,384	10
Unallowable Positions	2016-CZ-BX-0008	113,020	11
Unallowable Contract Hours Billed	2016-CZ-BX-0008	<u>1,920</u>	13
Unallowable Costs		\$170,324	
Unsupported Matching Costs	2016-CZ-BX-0003	\$58,939	11
Unsupported Matching Costs	2016-CZ-BX-0008	223,921	11
Unsupported Travel Costs	2016-CZ-BX-0003	1,021	13
Unsupported Travel Costs	2016-CZ-BX-0008	2,240	14
Unsupported Contract Costs	2016-CZ-BX-0003	68,441	13
Unsupported Contract Costs	2016-CZ-BX-0008	42,140	13
Unsupported Drawdowns	2016-CZ-BX-0003	27,087	14
Unsupported Drawdowns	2016-CZ-BX-0008	<u>9,938</u>	15
Unsupported Costs		\$433,727	
Total Questioned Costs⁸		\$604,051	
TOTAL DOLLAR-RELATED FINDINGS		<u>\$604,051</u>	

⁸ **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: The Georgia Department of Juvenile Justice Response to the Draft Audit Report⁹

Brian P. Kemp, Governor

Tyrone Oliver, Commissioner



DEPARTMENT OF JUVENILE JUSTICE

3408 Covington Highway
Decatur, Georgia 30032-1513
Telephone: 404-508-7200 - Fax: 404-508-7340

May 18, 2021

Ferris B. Polk
Regional Audit Manager Atlanta Regional Audit Office Office of the Inspector General
U.S. Department of Justice
75 Ted Turner Drive, Suite 1130
Atlanta, Georgia 30303

Via Electronic Mail

Dear Mr. Polk:

The Georgia Department of Juvenile Justice (GDJJ) appreciates the opportunity to respond to the Office of the Inspector General's (OIG) Draft Audit Report received by our office on April 28, 2021. The Draft Audit Report is in reference to grant award 2016-CZ-BX-003 in the amount of \$1,000,000 and grant award 2016-CZ-BX-008 in the amount of \$650,000.

Please find our official response to each specific recommendation below:

OIG Recommendation 1: **Ensure that the GDJJ provides documentation to support the completed and implemented case management model.**

GDJJ's Response: GDJJ concurs. Attached is support documentation of the completed and implemented case management model. (Attachment A: Completed Case Management Model; Attachment B: Training Agenda)

OIG Recommendation 2: **Ensure that the GDJJ develops and implements a strategy to routinely assess and report on the reduction in youth crime and recidivism for Grant Number 2016-CZ-BX-0003 and Grant Number 2016-BX-0008 and future DOJ grants with goals of reducing recidivism.**

GDJJ's Response: GDJJ partially concurs. GDJJ has developed and implemented a system to routinely assess and report on the reduction in youth crime (Attachments C and D). GDJJ will have to develop and implement a strategy to track recidivism rates based on the funding source and program design. It should also be noted that often times the youth that received the funded program service(s) may not have been released prior to the grant ending and therefore the

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⁹ Attachments referenced in this response were not included in the final report.

recidivism rate cannot be calculated and submitted to the funder by the end of the grant period. (Attachment C: Recidivism High Level Overview; Attachment D: Release Co-hort – High Level Overview)

OIG Recommendation 3: Ensure that the GDJJ develops and implements procedures to ensure that each progress report contains accurate information supported by verifiable documentation.

GDJJ's Response: GDJJ concurs. Attached is GDJJ's proposed grant policy and revised training document which ensures that internal controls are properly implemented to ensure accurate reporting prior to submission. The policy must be approved by the agency's policy committee, executive team and Commissioner. Policies are deemed effective the date the Commissioner signs the policy. (Attachment E: Proposed Draft Grant Policy; Attachment F: Revised Grant Training Document)

OIG Recommendation 4: Ensure that the GDJJ establishes policies and procedures to accomplish the required training for its points of contact within 120 days after the acceptance of each award.

GDJJ's Response: GDJJ concurs. Attached is GDJJ's proposed grant policy and revised training document which includes check points to ensure that required training for its points of contact are completed within 120 days after the acceptance of each award. The policy must be approved by the agency's policy committee, executive team and Commissioner. Policies are deemed effective the date the Commissioner signs the policy. (Attachment E: Proposed Draft Grant Policy; Attachment F: Revised Grant Training Document)

OIG Recommendation 5: Ensure that GDJJ employees are fully trained on requirements for preparing a complete contract administration plan and supervisors and managers re-emphasize to their staff the need to ensure a completed CAP is prepared for each contract award.

GDJJ's Response: GDJJ concurs. Attached is GDJJ's proposed grant policy and revised grants training document which includes mandatory training for contract and procurement staff, business owners and grant administration staff to ensure an accurate understanding of all grant policies including contract administration. The policy must be approved by the agency's policy committee, executive

team, and Commissioner. Policies are deemed effective the date the Commissioner signs the policy. (Attachment E: Proposed Draft Grant Policy; Attachment F; Revised Grant Training Document)

OIG Recommendation 6: Ensure that the GDJJ maintains documents for quarterly meetings held with its contractors and enforces the contract monitoring requirement for future grant-funded contracts.

GDJJ's Response: GDJJ concurs. Attached is GDJJ's proposed grant policy and revised grants training document which includes mandatory training for contract and procurement staff, business owners and grant administration staff to ensure an accurate understanding of all grant policies including contract monitoring. The policy must be approved by the agency's policy committee, executive team and Commissioner. Policies are deemed effective the date the Commissioner signs the policy. (Attachment E: Proposed Draft Grant Policy; Attachment F: Revised Grant Training Document)

OIG Recommendation 7: Ensure that the GDJJ, as part of its update to its contract procedures manual, includes strengthen procedures for review of contractor billings so that appropriate support is provided and assessed for all contractor costs billed and paid.

GDJJ's Response: GDJJ concurs. Attached is GDJJ's proposed grant policy, revised grants training document and updated contracts manual which includes detailed instructions and examples regarding required support documentation and approval signatures prior to processing of payments to all contractors. The policy must be approved by the agency's policy committee, executive team and Commissioner. Policies are deemed effective the date the Commissioner signs the policy. (Attachment E: Proposed Draft Grant Policy; Attachment F: Revised Grant Training Document; Attachment G; Updated Contracts Manual)

OIG Recommendation 8: Ensure that the GDJJ develops and implements a training program for all current and future financial staff to ensure those persons fully understand federal and state grant financial requirements.

GDJJ's Response: GDJJ concurs. Attached is GDJJ's draft grant policy and revised grants training which includes mandatory training for all accounting, financial and grant staff to ensure an accurate understanding of all federal and state grant policies. Attached are

also sample documents that will be distributed during training. The policy must be approved by the agency's policy committee, executive team and Commissioner. Policies are deemed effective the date the Commissioner signs the policy. (Attachment E: Proposed Draft Grant Policy Attachment F; Revised Grant Training Document)

OIG Recommendation 9: Remedy \$55,384 in unallowable questioned costs for the hiring of two positions not approved in the grant budget.

GDJJ's Response: The GDJJ concurs that the documentation available for review was not sufficient to verify that what was billed aligned with the approved budget. Although GDJJ did implement the program design approved, due to the amount of time lapsed and GDJJ staff turnover, we would like to submit payment in the amount of \$55,384. Additionally, GDJJ has modified its policies and trainings to ensure billed expenses have all the proper documentation prior to approval of payment. (Attachment E: Proposed Draft Grant Policy Attachment F; Revised Grant Training Document)

OIG Recommendation 10: Remedy \$58,939 in unsupported matching costs contribution for Grant number 2016-CZ-BX-003.

GDJJ's Response: GDJJ concurs, for the \$58,939 in unsupported matching costs contribution for Grant 2016-CZ-BX-003, GDJJ would like permission to remove said costs from the grant. GDJJ further understands that the support documentation available for review was not sufficient to verify what was billed and that it was aligned with the approved budget. Additionally, GDJJ has modified its policies and trainings to ensure billed expenses have all the proper documentation prior to approval of billing. (Attachment E: Proposed Draft Grant Policy Attachment F; Revised Grant Training Document)

OIG Recommendation 11: Remedy \$113,020 in unallowable questioned costs for the hiring of five support service positions not approved in the grant budget.

GDJJ's Response: The GDJJ concurs that the unallowable questioned costs for hiring of five support service positions in not in the approved budget and

required the submission of a GAM prior to procurement. Although the positions were aligned with the approved program design, we would like to submit payment in the amount of \$113,020. Additionally, GDJJ has modified its policies and trainings to ensure all job titles and descriptions are approved prior to implementation. (Attachment E: Proposed Draft Grant Policy Attachment F; Revised Grant Training Document)

OIG Recommendation 12: Remedy \$223,921 in unsupported matching costs contribution for Grant Number 2016-CZ-BX-0008.

GDJJ's Response: GDJJ concurs, for the \$223,921 in unsupported matching costs contribution for Grant 2016-CZ-BX-003, GDJJ would like permission to remove said costs from the grant. GDJJ further understands that the support documentation available for review was not sufficient to verify what was billed and that it was aligned with the approved budget. Additionally, GDJJ has modified its policies and trainings to ensure billed expenses have all the proper documentation prior to approval of billing. (Attachment E: Proposed Draft Grant Policy Attachment F; Revised Grant Training Document)

OIG Recommendation 13: Ensure the GDJJ establishes and implements procedures to ensure that OJJP approval is obtained prior to using grant funds for positions not approved in the grant budget.

GDJJ's Response: GDJJ concurs. Attached is GDJJ's proposed draft grant policy and revised grants training which includes mandatory training for all business owners and grant staff to ensure an accurate understanding of all grant policies including grant budget administration. The policy must be approved by the agency's policy committee, executive team and Commissioner Policies are deemed effective the date the Commissioner signs the policy. (Attachment E: Proposed Draft Grant Policy; Attachment F: Revised Grant Training Document)

OIG Recommendation 14: Ensure the GDJJ develops and implements procedures to ensure that both grant, and matching costs-funded positions are filled and charge to the grant in accordance with the approved budget or approval for and adjustment to the budgets is sought from OJJP.

GDJJ's Response: GDJJ concurs. Attached is GDJJ's proposed draft grant policy and revised grants training which includes mandatory training for all grant staff and business owners to ensure an accurate understanding of all grant policies including budget administration. The policy must be approved by the agency's policy committee, and Commissioner. Policies are deemed effective the date the Commissioner signs the policy (Attachment E: Proposed Draft Grant Policy; Attachment F: Revised Grant Training Document)

OIG Recommendation 15: Remedy \$68,441 in unsupported contract costs and \$1,021 in unsupported travel costs from Grant Number 2016-CZ-BX-0003.

GDJJ's Response: The GDJJ concurs that the documentation available for review was not sufficient to verify that what was billed aligned with the approved budget. Although GDJJ did implement the program design approved, due to the amount of time lapsed and GDJJ staff turnover, we would like to submit payment in the amount of \$69,462. Additionally, GDJJ has modified its policies and trainings to ensure billed expenses have all the proper documentation prior to approval of payment. (Attachment E: Proposed Draft Grant Policy Attachment F; Revised Grant Training Document)

OIG Recommendation 16: Remedy \$42,140 in unsupported contract costs and \$1,920 in unallowable contract costs from Grant Number 2016-CZ-BX-0008.

GDJJ's Response: The GDJJ concurs that the documentation available for review was not sufficient to verify that what was billed aligned with the approved budget. Although GDJJ did implement the program design approved, due to the amount of time lapsed and GDJJ staff turnover, we would like to submit payment in the amount of \$44,060. Additionally, GDJJ has modified its policies and trainings to ensure billed expenses have all the proper documentation prior to approval of payment. (Attachment E: Proposed Draft Grant Policy Attachment F; Revised Grant Training Document)

OIG Recommendation 17: Ensure the GDJJ ensure that all staff involved with invoice processing are fully trained in the requirements for invoice processing.

GDJJ's Response: GDJJ concurs. Attached is GDJJ's proposed draft grant policy which includes mandatory training for all accounts payable and grant staff to ensure an accurate understanding of all grant policies including invoice processing. Attached are also sample documents that will be distributed during training. The policy must be approved by the agency's policy committee, executive team and Commissioner. Policies are deemed effective the date the Commissioner signs the policy. (Attachment E: Proposed Draft Grant Policy; Attachment F: Revised Grant Training Document)

OIG Recommendation 18: Remedy \$2,240 in unsupported costs for travel-related grant expenditures for Grant Number 2016-CZ-BX-0008.

GDJJ's Response: The GDJJ concurs that the documentation available for review was not sufficient to verify that what was billed aligned with the approved budget. Although GDJJ did implement the program design approved, due to the amount of time lapsed and GDJJ staff turnover, we would like to submit payment in the amount of \$2,240. Additionally, GDJJ has modified its policies and trainings to ensure billed expenses have all the proper documentation prior to approval of payment. (Attachment E: Proposed Draft Grant Policy Attachment F; Revised Grant Training Document)

OIG Recommendation: 19: Remedy \$27,087 in unsupported drawdowns for Grant Number 2016-CZ-BX-003.

The GDJJ concurs that the documentation available for review was not sufficient to verify that what was billed aligned with the approved budget. Although GDJJ did implement the program design approved, due to the amount of time lapsed and GDJJ staff turnover, we would like to submit payment in the amount of \$27,087. Additionally, GDJJ has modified its policies and trainings to ensure billed expenses have all the proper documentation prior to approval of payment. (Attachment H: Federal Cash Draw-Request Policy; Attachment I: Federal Cash Draw Sheet)

OIG Recommendation 20: Remedy \$9,938 in unsupported drawdowns for Grant Number 2016-CZ-BX-008.

The GDJJ concurs that the documentation available for review was not sufficient to verify that what was billed aligned with the approved budget. Although GDJJ did implement the program

Polk, F.
May 18, 2021
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design approved, due to the amount of time lapsed and GDJJ staff turnover, we would like to submit payment in the amount of \$27,087. Additionally, GDJJ has modified its policies and trainings to ensure billed expenses have all the proper documentation prior to approval of payment. (Attachement H: Federal Cash Draw-Request Policy; Attachment I: Federal Cash Draw Sheet)

OIG Recommendation 21: Ensure that the GDJJ updated procedures for drawdown properly describe the appropriate support for each drawdown and all GDJJ staff involved in drawdown activities are fully trained in the updated procedures.

GDJJ concurs. The revised updated procedures is documented in Attachments H and I. (Attachement H: Federal Cash Draw-Request Policy; Attachment I: Federal Cash Draw Sheet)

In conclusion, the GDJJ would like to reimburse the Office of Justice Programs **\$169,258** for the 2016-CZ-BX-008 grant and **\$151,933** for the 2016-CZ-BX-003 grants. Additionally, we are requesting that **\$233,921** be removed in match expenses for the 2016-CZ-BX-008 grant and **\$58,939** in match expenses for the 2016-CZ-BX-003. Consequently, please let me know the preferred method to receive the total reimbursement of **\$321,191** for cash expenses charged to the grant and removing **\$282,860** in matching cost from the grants.

Should you have questions related to this response or require additional information, please contact Allyson Richardson at [REDACTED]@djj.state.ga.us or [REDACTED]

Sincerely,



Tyrone Oliver
Commissioner

APPENDIX 4: The Office of Justice Programs Response to the Draft Audit Report ¹⁰



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

June 2, 2021

MEMORANDUM TO: Ferris B. Polk
Regional Audit Manager
Atlanta 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 Grants Awarded to the Georgia Department of Juvenile Justice, Decatur, Georgia*

This memorandum is in reference to your correspondence, dated April 27, 2021, transmitting the above-referenced draft audit report for the Georgia Department of Juvenile Justice (GDJJ). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **21** recommendations and **\$604,051** in questioned costs. The following is Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

1. We recommend that OJP ensure that the GDJJ provides documentation to support the completed and implemented case management model.

OJP agrees with this recommendation. GDJJ provided, in its response, dated May 18, 2021, a copy of its completed and implemented case management model, and a schedule of its Basic Juvenile Probation Officer Training (see Attachments 1 and 2). We believe this information adequately address this recommendation. Accordingly, the Office of Justice Programs requests closure of this recommendation.

2. We recommend that OJP ensure that the GDJJ develops and implements a strategy to routinely assess and report on the reduction in youth crime and recidivism for Grant Number 2016-CZ-BX-0003 and Grant Number 2016-CZ-BX-0008 and future DOJ grants with goals of reducing recidivism.

OJP agrees with this recommendation. GDJJ stated, in its response, dated May 18, 2021, that it developed and implemented policies and procedures to routinely assess and report on the reduction in youth crime, and that it would implement a strategy to track

¹⁰ Attachments referenced in this response were not included in the final report.

recidivism rates based on funding source and program design. However, the policies and procedures that GDJJ provided to address this recommendation were not signed by a GDJJ official or dated, and did not include an implementation date. Accordingly, we will coordinate with GDJJ to obtain a copy of its finalized and approved policies and procedures, for ensuring that it routinely assesses and reports on the reduction in youth crime and recidivism in Department of Justice (DOJ) grant-funded programs, as applicable.

- 3. We recommend that OJP ensure that the GDJJ develops and implements procedures to ensure that each progress report contains accurate information supported by verifiable documentation.**

OJP agrees with this recommendation. GDJJ stated, in its response, dated May 18, 2021, that it had developed a policy, and revised its training, to ensure accurate reporting prior to submission. Accordingly, we will coordinate with GDJJ to obtain a copy of its written policies and procedures, developed and implemented, to ensure that semi-annual progress reports are accurate, and fully supported by source documentation that is maintained for future auditing purposes.

- 4. We recommend that OJP ensure that the GDJJ establishes policies and procedures to accomplish the required training for its points of contact within 120 days after the acceptance of each award.**

OJP agrees with this recommendation. We will coordinate with GDJJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that its grant and financial points of contact complete the required DOJ-sponsored financial management and grant administration training within 120 days after the acceptance of each award, or provides documentation demonstrating that GDJJ personnel have previously completed this training within the past two years.

- 5. We recommend that OJP ensure that GDJJ employees are fully trained on requirements for preparing a complete contract administration plan and supervisors and managers re-emphasize to their staff the need to ensure a completed CAP is prepared for each contract award.**

OJP agrees with this recommendation. GDJJ stated, in its response, dated May 18, 2021, that it had developed a proposed grant policy, and revised its grants training, to include mandatory training for contract and procurement staff, business owners, and grant administration staff, to ensure an accurate understanding of all grant policies, including those pertaining to contract administration. Accordingly, we will coordinate with GDJJ to obtain a copy of finalized written policies and procedures, developed and implemented, to ensure that employees are fully trained on requirements for preparing a complete contract administration plan (CAP); and which requires supervisors and managers to re-emphasize to their staff the need for a completed CAP for each contract award.

6. **We recommend that OJP ensure that the GDJJ maintains documents for quarterly meetings held with its contractors and enforces the contract monitoring requirement for future grant-funded contracts.**

OJP agrees with this recommendation. GDJJ stated, in its response, dated May 18, 2021, that it had developed a proposed grant policy, and revised its grants training to include mandatory training for contract and procurement staff, business owners, and grant administration staff, to ensure an accurate understanding of all grant policies, including contract administration. Accordingly, we will coordinate with GDJJ to obtain a copy of written policies and procedures, developed and implemented, to ensure documents are maintained for quarterly meetings held with contractors, and for enforcement of the contract monitoring requirement for future grant-funded contracts.

7. **We recommend that OJP ensure that the GDJJ, as part of its update to its contract procedures manual, includes strengthened procedures for review of contractor billings so that appropriate support is provided and assessed for all contractor costs billed and paid.**

OJP agrees with this recommendation. GDJJ stated, in its response, dated May 18, 2021, that it had developed a proposed grant policy, revised its grants training document, and updated its contracts manual, to include detailed instructions and examples of required supporting documentation, and approval signatures prior to processing contractor payments. Accordingly, we will coordinate with GDJJ to obtain a copy of finalized written policies and procedures, developed and implemented, to strengthen its procedures for reviewing contractor billings, so that appropriate support is provided and assessed for all contractor costs billed and paid.

8. **We recommend that OJP ensure that the GDJJ develops and implements a training program for all current and future financial staff to ensure those persons fully understand federal and state grant financial requirements.**

OJP agrees with this recommendation. GDJJ stated, in its response, dated May 18, 2021, that it had developed a proposed grant policy, and revised its grants training, to include mandatory training for all accounting, financial, and grant staff, to ensure an accurate understanding of all Federal and state grant policies. Accordingly, we will coordinate with GDJJ to obtain a copy of finalized written policies and procedures, developed and implemented, to ensure that a training program is developed for all current and future financial staff, to ensure they fully understand the Federal and state grant financial requirements.

9. **We recommend that OJP remedy \$55,384 in unallowable questioned costs for the hiring of two positions not approved in the grant budget.**

OJP agrees with this recommendation. We will review the \$55,384 in unallowable questioned costs, related to the hiring of two positions not approved in the grant budget that were charged to Grant Number 2016-CZ-BX-0003, and will work with GDJJ to remedy, as appropriate.

- 10. We recommend that OJP remedy \$58,939 in unsupported matching costs contribution for Grant Number 2016-CZ-BX-0003.**

OJP agrees with this recommendation. We will review the \$58,939 in questioned costs, related to unsupported matching costs that were charged to Grant Number 2016-CZ-BX-0003, and will work with GDJJ to remedy, as appropriate.

- 11. We recommend that OJP remedy \$113,020 in unallowable questioned costs for the hiring of five support service positions not approved in the grant budget.**

OJP agrees with this recommendation. We will review the \$113,020 in unallowable questioned costs, related to the hiring of five support service positions not approved in the grant budget that were charged to Grant Number 2016-CZ-BX-0008, and will work with GDJJ to remedy, as appropriate.

- 12. We recommend that OJP remedy \$223,921 in unsupported matching costs contribution for Grant Number 2016-CZ-BX-0008.**

OJP agrees with this recommendation. We will review the \$223,921 in questioned costs, related to unsupported matching costs that were charged to Grant Number 2016-CZ-BX-0008, and will work with GDJJ to remedy, as appropriate.

- 13. We recommend that OJP ensure the GDJJ establishes and implements procedures to ensure that OJP approval is obtained prior to using grant funds for positions not approved in the grant budget.**

OJP agrees with this recommendation. GDJJ stated, in its response, dated May 18, 2021, that it had developed a proposed grant policy, and revised its grants training, to include mandatory training for all business owners and grant staff to ensure an accurate understanding of all grant policies, including grant budget administration. Accordingly, we will coordinate with GDJJ to obtain a copy of finalized written policies and procedures, developed and implemented, to ensure that approval is obtained from the Federal awarding agency prior to using grant funds for positions not approved in the grant budget.

- 14. We recommend that OJP ensure the GDJJ develops and implements procedures to ensure that both grant and matching costs-funded positions are filled and charged to the grant in accordance with the approved budget or approval for an adjustment to the budgets is sought from OJP.**

OJP agrees with this recommendation. GDJJ stated, in its response, dated May 18, 2021, that it had developed a proposed grant policy, and revised its grants training, to include mandatory training for all business owners and grant staff to ensure an accurate

understanding of all grant policies, including grant budget administration. Accordingly, we will coordinate with GDJJ to obtain a copy of finalized written policies and procedures, developed and implemented, to ensure that both grant and matching costs-funded positions are filled and charged to the grant, in accordance with the approved budget, or prior approval is obtained from the Federal awarding agency before the costs are charged to the grant.

- 15. We recommend that OJP remedy \$68,441 in unsupported contract costs and \$1,021 in unsupported travel costs from Grant Number 2016-CZ-BX-0003.**

OJP agrees with this recommendation. We will review the \$69,462 in questioned costs, related to \$68,441 in unsupported contract costs and \$1,021 in unsupported travel costs, that were charged to Grant Number 2016-CZ-BX-0003, and will work with GDJJ to remedy, as appropriate.

- 16. We recommend that OJP remedy \$42,140 in unsupported contract costs and \$1,920 in unallowable contract costs for Grant Number 2016-CZ-BX-0008.**

OJP agrees with this recommendation. We will review the \$44,060 in questioned costs, related to \$42,140 in unsupported contract costs and \$1,920 in unallowable contract costs, that were charged to Grant Number 2016-CZ-BX-0008, and will work with GDJJ to remedy, as appropriate.

- 17. We recommend that OJP ensure the GDJJ ensure that all staff involved with invoice processing are fully trained in the requirements for invoice processing.**

OJP agrees with this recommendation. GDJJ stated, in its response, dated May 18, 2021, that it had developed a proposed grant policy, and revised its grants training, to include mandatory training for all business owners and grant staff to ensure an accurate understanding of all grant policies. Accordingly, we will coordinate with GDJJ to obtain a copy of finalized written policies and procedures, developed and implemented, to ensure that all staff involved with processing invoices are fully trained, in accordance with established requirements.

- 18. We recommend that OJP remedy \$2,240 in unsupported costs for travel-related grant expenditures for Grant Number 2016-CZ-BX-0008.**

OJP agrees with this recommendation. We will review the \$2,240 in unsupported questioned costs, associated with travel-related grant expenditures that were charged to Grant Number 2016-CZ-BX-0008, and will work with GDJJ to remedy, as appropriate.

- 19. We recommend that OJP remedy \$27,087 in unsupported drawdowns for Grant Number 2016-CZ-BX-0003.**

OJP agrees with this recommendation. We will review the \$27,087 in questioned costs, related to unsupported drawdowns that were charged to Grant Number 2016-CZ-BX-0003, and will work with GDJJ to remedy, as appropriate.

20. We recommend that OJP remedy \$9,938 in unsupported drawdowns for Grant Number 2016-CZ-BX-0008.

OJP agrees with this recommendation. We will review the \$9,938 in questioned costs, related to unsupported drawdowns that were charged to Grant Number 2016-CZ-BX-0008, and will work with GDJJ to remedy, as appropriate.

21. We recommend that OJP ensure that the GDJJ updated procedures for drawdowns properly describe the appropriate support for each drawdown and all GDJJ staff involved in drawdown activities are fully trained in the updated procedures.

OJP agrees with this recommendation. GDJJ stated, in its response, dated May 18, 2021, that it had updated its policies and procedures to ensure that drawdowns of Federal funds are based on the actual costs incurred, and include the appropriate support for each drawdown; and that all GDJJ staff involved in drawdown activities are fully trained. However, the policies and procedures that GDJJ provided to address this recommendation were not signed by a GDJJ official or dated, and did not include an implementation date. Accordingly, we will coordinate with GDJJ to obtain a copy of its finalized policies and procedures, revised and implemented, to ensure that the drawdowns of Federal funds are based on the actual expenditures incurred, or are the minimum amounts needed for disbursements to be made immediately or within 10 days of draw down; the amounts requested for reimbursement are reconciled to adequate supporting documentation; and that staff involved in the drawdown process are properly trained on the updated procedures.

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.

Attachments

cc: Amy L. Solomon
Principal Deputy Assistant Attorney General

Maureen A. Henneberg
Deputy Assistant Attorney General
for Operations and Management

LeToya A. Johnson
Senior Advisor
Office of the Assistant Attorney General

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

cc: Chryl Jones
Acting Administrator
Office of Juvenile Justice and Delinquency Prevention

James Antal
Associate Administrator, Special Victims and
Violent Offenders Division
Office of Juvenile Justice and Delinquency Prevention

Kellie Blue
Associate Administrator, Intervention Division
Office of Juvenile Justice and Delinquency Prevention

Leanetta Jessie
Grants Management Specialist
Office of Juvenile Justice and Delinquency Prevention

Julia Alanen
Grants Management Specialist
Office of Juvenile Justice and 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

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

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

OJP Executive Secretariat
Control Number IT20210427164539

APPENDIX 5: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP) and the Georgia Department of Juvenile Justice (GDJJ). OJP's response is incorporated in Appendix 4 and the GDJJ response is incorporated in Appendix 3 of this final report. In response to our draft audit report, OJP agreed with our recommendations, and as a result, the status of the audit report is resolved. The GDJJ concurred with 20 recommendations and partially concurred with 1 recommendation. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendation for OJP:

- 1. Ensure that the GDJJ provides documentation to support the completed and implemented case management model.**

Closed. OJP agreed with our recommendation and stated in its response that the GDJJ provided a copy of its completed and implemented case management model and a schedule of its juvenile probation officer training.

The GDJJ concurred with our recommendation, did not provide a response, but provided documentation to support its completed and implemented case management model.

This recommendation is closed based on the documentation provided to support the completed and implemented GDJJ case management model and OJP's request for closure.

- 2. Ensure that the GDJJ develops and implements a strategy to routinely assess and report on the reduction in youth crime and recidivism for Grant Number 2016-CZ-BX-0003 and Grant Number 2016-BX-0008 and future Department of Justice (DOJ) grants with goals of reducing recidivism.**

Resolved. OJP agreed with our recommendation and stated in its response that the GDJJ stated it developed and implemented policies and procedures to routinely assess and report on the reduction in youth crime. OJP further noted that the GDJJ stated it would implement a strategy to track recidivism rates based on funding sources and program design. Because the policies and procedures were not signed by a GDJJ official and did not include an implementation date, OJP stated it will coordinate with the GDJJ to obtain a copy of the finalized and approved policies and procedures for routinely assessing and reporting on the reduction in youth crime and recidivism in DOJ grant-funded programs. As a result, this recommendation is resolved.

The GDJJ partially concurred with our recommendation and stated in its response that it developed and implemented a system to routinely assess and report on the reduction in youth crime. The GDJJ also stated it plans to develop and implement a strategy to track recidivism rates based on the funding source and program design.

This recommendation can be closed when we receive documentation to support the developed and implemented policies and procedures to routinely assess and report on the reduction in youth crime and recidivism for DOJ grants with goals of reducing recidivism.

3. Ensure that the GDJJ develops and implements procedures to ensure that each progress report contains accurate information supported by verifiable documentation.

Resolved. OJP agreed with our recommendation and stated in its response that the GDJJ developed a policy and revised its training to ensure accurate reporting prior to submission. OJP also stated it will coordinate with GDJJ to obtain a copy of its written policies and procedures, developed and implemented, to ensure that semi-annual progress reports are accurate, and fully supported by source documentation that is maintained for future auditing purposes. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and provided a proposed grant policy and revised training document intended to ensure that internal controls are properly implemented to ensure accurate reporting prior to submission. The policy is pending approval.

This recommendation can be closed when we receive documentation to support developed and implemented procedures to ensure that each progress report contains accurate information supported by verifiable documentation.

4. Ensure that the GDJJ establishes policies and procedures to accomplish the required training for its points of contact within 120 days after the acceptance of each award.

Resolved. OJP agreed with our recommendation and stated in its response that it will coordinate with the GDJJ to obtain a copy of written policies and procedures, developed and implemented, to ensure that its grant and financial points of contact complete the required DOJ-sponsored financial management and grant administration training within 120 days after the acceptance of each award or provide documentation demonstrating that GDJJ personnel have previously completed the training within the past 2 years. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and provided a proposed grant policy and revised training document which includes check points to ensure that training for its points of contact are completed within 120 days after the acceptance of each award. The policy was pending approval.

This recommendation can be closed when we receive documentation that to support developed and implemented policies and procedures to accomplish the required training for its points of contact within 120 days after the acceptance of each award.

- 5. Ensure that GDJJ employees are fully trained on requirements for preparing a complete contract administration plan (CAP) and supervisors and manager re-emphasize to their staff the need to ensure a completed CAP is prepared for each contract award.**

Resolved. OJP agreed with our recommendation and stated in its response that the GDJJ developed a proposed grant policy and revised its grants training, to include mandatory training for contract and procurement staff, business owners, and grant administration staff to ensure accurate understanding of all grant policies, including contract administration. OJP also stated it will coordinate with the GDJJ to obtain a copy of finalized written policies and procedures, developed and implemented, to ensure that employees are fully trained on requirements for preparing a complete CAP that requires supervisors and manager to re-emphasize the need to complete a CAP for each contract award. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and provided a proposed grant policy and revised training document that addressed mandatory training for contract and procurement staff, business owners, and grant administration staff to ensure accurate understanding of all grant polices including contract administration. The policy was pending approval.

This recommendation can be closed when we receive documentation to support policies and procedures for employees to be fully trained on requirements for preparing a complete CAP and supervisor and managers to re-emphasize to their staff the need to ensure a complete CAP is prepared for each contract award.

- 6. Ensure that the GDJJ maintains documents for quarterly meetings held with its contractors and enforces the contract monitoring requirements for future grant-funded contracts.**

Resolved. OJP agreed with this recommendation and stated in its response that the GDJJ developed a proposed grant policy and revised its grant training to include mandatory training for contract and procurement staff, business owners, and grant administration staff to ensure an accurate understanding of all grant policies, including contract administration. OJP stated it will coordinate with the GDJJ to obtain a copy of its written policies and procedures, developed and implemented, to ensure documents are maintained for quarterly meetings with contractors and for enforcement of the contract monitoring requirement for future grant-funded contracts. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and provided a proposed grant policy and revised grant training document, which addressed mandatory training for contract and procurement staff, business owners, and grant administration staff to ensure an accurate understanding of all grant policies to include contract monitoring. This policy is pending approval.

This recommendation can be closed when we receive documentation to support developed and implemented policies and procedures for maintaining documentation for quarterly meetings held with its contractors and enforces the contract monitoring requirement for future-grant funded contracts.

- 7. Ensure that the GDJJ, as part of its update to its contract procedures manual, includes strengthened procedures for review of contractor billings so that appropriate support is provided and assessed for all contractor costs billed and paid.**

Resolved. OJP agreed with our recommendation and stated in its response that the GDJJ developed a proposed grant policy, revised its grant training document, and updated its contract manual to detailed include instructions and example of required supporting documentation and approval signatures for processing contractor payments. OJP stated it will coordinate with the GDJJ to obtain a copy of finalized written policies and procedures, developed and implemented, to strengthen its procedures for reviewing contractor billings for all contractor costs billed and paid. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and provided a proposed grant policy, revised its grants training document, and updated its contracts manual with detailed instructions and examples of required documentation for processing contractor payments. This policy is pending approval.

This recommendation can be closed when we receive documentation that support the GDJJ updated contract procedures manual, to include strengthened procedures for review of contractor billings so that appropriate support is provided and assessed for all contractor costs billed and paid.

- 8. Ensure that the GDJJ develops and implements a training program for all current and future financial staff to ensure those persons fully understand federal and state grant financial requirements.**

Resolved. OJP agreed with our recommendation and stated in its response that the GDJJ had developed a proposed grant policy, revised its grants training to include mandatory training for all accounting, financial, and grant staff to ensure an accurate understanding of all federal and state grant policies. OJP stated it will coordinate with the GDJJ to obtain a copy of finalized written policies and procedures, developed and implemented, to ensure that a training program is developed for all current and future financial staff to ensure full understanding of federal and state grant financial requirements. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and provided a draft grant policy and revised grants training document which addressed mandatory training for all accounting, financial and grant staff to ensure an accurate understanding of all federal and state grant policies. The policy is pending approval.

This recommendation can be closed when we receive documentation to support policies and procedures, developed and implemented, for a training program for all current and future financial staff to ensure those persons fully understand federal and state grant financial requirements.

9. Remedy \$55,384 in unallowable questioned costs for the hiring of two positions not approved in the grant budget.

Resolved. OJP agreed with our recommendation and stated in its response it will review the \$55,384 in unallowable questioned costs for the hiring of two positions not approved in the grant budget and work with the GDJJ to remedy the costs, as appropriate. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and stated the documentation available for review was not sufficient to verify that billed amounts aligned with the approved budget. The GDJJ stated that it implemented the program; however, because of the amount of time lapsed and GDJJ staff turnover, it plans to submit payment in the amount of \$55,384. Also, the GDJJ stated it modified its policies and training to ensure billed expenses are properly supported prior to approval for payment.

This recommendation can be closed when we receive documentation to support that the \$55,384 in unallowable questioned costs has been remedied.

10. Remedy \$58, 939 in unsupported matching costs contribution for Grant Number 2016-CZ-BX-0003.

Resolved. OJP agreed with this recommendation and stated in its response that it will review the \$58,939 in questioned costs for unsupported matching costs charged to Grant Number 2016-CZ-BX-0003 and will work with the GDJJ to remedy the questioned costs, as appropriate.

The GDJJ concurred with our recommendation and requested permission to remove the \$58,939 matching costs contribution from the grant. The GDJJ stated that the supporting documentation made available for review was not sufficient to verify what was billed aligned with the approved budget. The GDJJ also stated it modified its policies and training to ensure billed expenses are properly supported prior to approval.

This recommendation can be closed when we receive documentation to support that the \$58,939 in unsupported matching costs contribution are remedied.

11. Remedy \$113,020 in unallowable questioned costs for the hiring of five support services positions not approved in the grant budget.

Resolved. OJP agreed with our recommendation and stated it in its response that it will review the \$113,020 in unallowable questioned costs for the hiring of five support service positions, not approved in the grant budget and charged to Grant Number 2016-CZ-BX-0008, and will work with the GDJJ to remedy, as appropriate. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and stated in its response that the costs for the hiring of five support positions was not included in the approved budget and required the submission of a Grant Adjustment Modification. The GDJJ stated that, although the positions

aligned with the approved budget, it would like to submit payment for the \$113,020. The GDJJ also stated that it modified its policies and training to ensure all job titles and descriptions are approved prior to implementation.

This recommendation can be closed when we receive documentation to support that the \$113,020 has been remedied.

12. Remedy \$223,921 in unsupported matching costs contribution for Grant Number 2016-CZ-BX-008.

Resolved. OJP agreed with our recommendation and stated in its response that it will review the \$223,921 in questioned costs for unsupported matching costs charged to Grant Number 2016-CZ-BX-0008 and will work with the GDJJ to remedy the costs, as appropriate. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and permission to remove the \$223,921 in matching contribution costs from the grant. The GDJJ also stated that it understands that the support documentation made available for review as not sufficient to verify what was billed aligned with the approved budget. Also, the GDJJ modified its policies and training to ensure billed expenses are properly documented prior to approval.

This recommendation can be closed when we receive documentation to support that the \$223,921 has been remedied.

13. Ensure the GDJJ establishes and implements procedures to ensure that OJP approval is obtained prior to using grant funds for positions not approved in the grant budget.

Resolved. OJP agreed with our recommendation and stated in its response that the GDJJ developed a proposed grant policy and revised its grant training to include mandatory training for all business owners and grant staff to ensure an accurate understanding of all grant policies, including grant budget administration. OJP stated it will coordinate with GDJJ to obtain a copy of finalized written policies and procedures, developed and implemented, to ensure that approval is obtained from the federal awarding agency prior to using grant funds for positions not approved in the grant budget. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and provided a proposed draft grant policy and revised grant training document that addressed mandatory training for all business owners and grant staff to ensure an accurate understanding of all grant policies including grant budget administration. The policy is pending approval.

This recommendation can be closed when we receive documentation to support established and implemented policies and procedures to ensure OJP approval is obtained prior to using grant funds for positions not approved in the grant budget.

- 14. Ensure the GDJJ develops and implements procedures to ensure that both grant and matching costs-funded positions are filled and charged to the grant in accordance with the approved budget or approval for an adjustment to the budgets is sought from OJP.**

Resolved. OJP agreed with our recommendation and stated in its response that the GDJJ developed a proposed grant policy and revised its grants training to include mandatory training for all business owners and grant staff to ensure an accurate understanding of all grant policies, including grant budget administration. OJP stated it will coordinate with the GDJJ to obtain a copy of finalized written policies and procedures, developed and implemented, to ensure that both grant and matching costs-funded positions are filled and charged to the grant, in accordance with the approved budget, or prior approval is obtained from the federal awarding agency before the costs are charged to the grant. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and provided a proposed draft grant policy and revised grants training to include mandatory training for all grant staff and business owners to ensure an accurate understanding of all grant policies including budget administration. The policy is pending approval.

This recommendation can be closed when we receive documentation to support policies and procedures developed and implemented to ensure that both grant and matching costs-funded positions are filled and charged in accordance with the approved budget or approval for an adjustment to the budget is sought from the awarding agency.

- 15. Remedy \$68,441 in unsupported contract costs and \$1,021 in unsupported travel costs from Grant Number 2016-CZ-BX-0003.**

Resolved. OJP agreed with our recommendation and stated in its response that it will review the \$69,462 in questioned costs related to \$68,441 in unsupported contract costs and \$1,021 in unsupported travel costs charged to Grant Number 2016-CZ-BX-0003 and will work with the GDJJ to remedy, as appropriate. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and stated in its response that the documentation made available for review was not sufficient to verify what was billed aligned with the approved budget. The GDJJ also stated that although the GDJJ implemented the approved program, because of time lapsed and GDJJ staff turnover, it would like to submit payment in the amount of \$69,462 for the unsupported contract and travel costs. In addition, GDJJ modified its policies and training to ensure billed expenses are properly documented prior to approval of payment.

This recommendation can be closed when we receive documentation to support that the \$68,441 in unsupported contract costs and \$1,021 in unsupported travel costs have been remedied.

16. Remedy \$42,140 in unsupported contract costs and \$1,920 in unallowable contract costs for Grant Number 2016-CZ-BX-0008.

Resolved. OJP agreed with our recommendation and stated in its response that it will review the \$44,060 in questioned costs, related to \$42,140 in unsupported contract costs and \$1,920 in unallowable contract costs charged to Grant Number 2016-CZ-BX-0008 and will work with the GDJJ to remedy, as appropriate. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and stated in its response that the documentation made available for review was not sufficient to verify what was billed aligned with the approved budget. The GDJJ also stated that although the GDJJ implemented the approved program, because of time lapsed and GDJJ staff turnover, it would like to submit payment in the amount of \$44,060 for the unsupported and unallowable contract costs. In addition, GDJJ modified its policies and training to ensure billed expenses are properly documented prior to approval of payment.

This recommendation can be closed when we receive documentation to support that the \$42,140 in unsupported contract costs and \$1,920 in unallowable contracts costs have been remedied.

17. Ensure the GDJJ ensure that all staff involved with invoice processing are fully trained in the requirements for invoice processing.

Resolved. OJP agreed with our recommendation and stated in its response that the GDJJ developed a proposed grant policy and revised its grant training to include mandatory training for all business owners and grant staff to ensure an accurate understanding of all grant policies. OJP stated it will coordinate with the GDJJ to obtain a copy of finalized written policies and procedures, developed and implemented, to ensure that all staff invoices are fully trained, in accordance with established requirements. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and provided a proposed draft policy to include mandatory training for all accounts payable and grant staff to ensure an accurate understanding of all grant policies including invoice processing. The policy is pending approval.

This recommendation can be closed when we receive documentation to support policies and procedures developed and implemented to ensure that all staff involved with invoice processing are fully trained in the requirements for invoice processing.

18. Remedy \$2,240 in unsupported costs for travel-related grant expenditures for Grant Number 2016-CZ-BX-0008.

Resolved. OJP agreed with our recommendation and stated in its response that it will review the \$2,240 in unsupported questioned costs for travel-related grant expenditures charged to Grant Number 2016-CZ-BX-0008 and will work with the GDJJ to remedy, as appropriate. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and stated in its response that the documentation made available for review was not sufficient to verify what was billed aligned with the approved budget. The GDJJ also stated that although the GDJJ implemented the approved program, because of time lapsed and GDJJ staff turnover, it would like to submit payment in the amount of \$2,240. In addition, GDJJ modified its policies and training to ensure billed expenses are properly documented prior to approval of payment.

This recommendation can be closed when we receive documentation to support that the \$2,240 in unsupported travel-related costs have been remedied.

19. Remedy \$27,087 in unsupported drawdowns for Grant Number 2016-CZ-BX-0003.

Resolved. OJP agreed with our recommendation and stated in its response that it will review the \$27,087 in questioned costs for unsupported drawdowns charged to Grant Number 2016-CZ-BX-0003 and will work with the GDJJ to remedy, as appropriate. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and stated in its response that the documentation made available for review was not sufficient to verify what was billed aligned with the approved budget. The GDJJ also stated that although the GDJJ implemented the approved program, because of time lapsed and GDJJ staff turnover, it would like to submit payment in the amount of \$27,087. In addition, GDJJ modified its policies and training to ensure billed expenses are properly documented prior to approval of payment.

This recommendation can be closed when we receive documentation to support that the \$27,087 in unsupported drawdowns have been remedied.

20. Remedy \$9,938 in unsupported drawdowns for Grant Number 2016-CZ-BX-0008.

Resolved. OJP agreed with our recommendation and stated in its response that it will review the \$9,938 in questioned costs for unsupported drawdowns charged to Grant Number 2016-CZ-BX-0008 and will work with the GDJJ to remedy, as appropriate. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and stated in its response that the documentation made available for review was not sufficient to verify what was billed aligned with the approved budget. The GDJJ also stated that although the GDJJ implemented the approved program, because of time lapsed and GDJJ staff turnover, it would like to submit payment in the amount of \$9,938. In addition, GDJJ modified its policies and training to ensure billed expenses are properly documented prior to approval of payment.

This recommendation can be closed when we receive documentation to support that the \$9,938 in unsupported drawdowns have been remedied.

21. Ensure that the GDJJ updated procedures for drawdowns properly describe the appropriate support for each drawdown and all GDJJ staff involved in drawdown activities are fully trained in the updated procedures.

Resolved. OJP agreed with our recommendation and stated in its response that: the GDJJ updated its policies and procedures to ensure that drawdowns of federal funds are based on the actual costs incurred, and include the appropriate support for each drawdown; and all GDJJ staff involved in drawdown activities are fully trained. Because the policies and procedures provided by the GDJJ were not signed and implemented, OJP stated it will coordinate with the GDJJ to obtain a copy of its finalized policies and procedures to ensure that: the drawdowns of federal funds are based on the actual expenditures incurred, or are the minimum amounts needed for disbursements to be made immediately or within 10 days of the drawdown; the amount requested for reimbursement are reconciled to adequate supporting documentation; and staff involved in the drawdown process are properly trained on the updated procedures. As a result, this recommendation is resolved.

The GDJJ concurred with our recommendation and provided revised updated procedures.

This recommendation can be closed when we receive documentation to support updated procedures for drawdowns that properly describe the appropriate support for each drawdown and all GDJJ staff involved in drawdown activities are fully trained in the updated procedures.