



Audit of the Office of Justice Programs Regional
Information Sharing Systems Grants Awarded to
New England State Police Information Network,
Franklin, Massachusetts



AUDIT DIVISION

23-043

MARCH 2023



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Regional Information Sharing Systems Grants Awarded to New England State Police Information Network, Franklin, Massachusetts

Objectives

The Office of Justice Programs (OJP) awarded the New England State Police Information Network (NESPIN) two grants and two supplements totaling \$16,064,209 for the Regional Information Sharing Systems program. The objectives of this audit were to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether NESPIN demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded that NESPIN demonstrated adequate progress towards the grants' stated goals and objectives. This audit did not identify significant concerns regarding NESPIN's grant financial management, budget management and control, drawdowns, federal financial reports, and program income. However, we found that NESPIN did not comply with essential award conditions related to contractual and travel expenditures. We also identified \$8,340 in unsupported contractual costs.

Recommendations

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

Audit Results

The purposes of the OJP grants we reviewed were to enhance criminal justice policies and practices in measurable ways that promote public safety and continue the efficient and effective sharing of information between criminal justice agencies and their partners. The project period for the grants was from July 2018 through June 2022. As of June 24, 2022, NESPIN drew down a cumulative amount of \$15,093,738 for all of the grants we reviewed.

Contractual Expenditures

We found that NESPIN was unable to adequately support \$8,340 in contractual costs due to a lack of documentation demonstrating its efforts to ensure fair and reasonable pricing. We also determined that NESPIN's procurement process did not include conflict of interest policies.

Travel Policy

Although we found that NESPIN's expenditures related to staff travel totaling \$154,656 were allowable and supported, we determined NESPIN could improve its travel policy by clarifying the procedures staff should follow when unable to obtain federal government rates.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of two grants and two supplements awarded by the Office of Justice Programs (OJP) under the Regional Information Sharing Systems (RISS) Program to the New England State Police Information Network (NESPIN) in Franklin, Massachusetts. NESPIN was awarded a total of \$16,064,209, as shown in Table 1.

Table 1

Grants Awarded to NESPIN

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date ^a	Award Amount
2018-RS-CX-0003 (Initial)	OJP	7/27/2018	7/1/2018	3/31/2022	\$3,861,075
Supplement 1	OJP	7/18/2019	7/1/2018	3/31/2022	\$3,914,501
Supplement 2	OJP	7/1/2020	7/1/2018	3/31/2022	\$4,034,162
15PBJA-21-GG-00348-RISS	OJP	9/2/2021	7/1/2021	6/30/2022	\$4,254,471
Total:					\$16,064,209

^a NESPIN received an extension for its 2018 award and two supplements.

Source: OJP's Grants Management System and JustGrants

The RISS Program was created by Congress in 1974 as a way to link law enforcement agencies throughout the nation. Since its inception, the RISS Program has been supported by funding from OJP's RISS Program grants across the six regional centers and the RISS Technology Support Center.

Funding through OJP's RISS grants offers a variety of services and support to law enforcement agencies including secure information sharing and communication systems for regional information sharing among federal, state, tribal, and local law enforcement agencies, critical analytical and investigative support services, and event deconfliction to enhance officer safety. As of November 2021, the RISS program supports more than 9,500 local, state, federal, tribal law enforcement, and other criminal justice agencies in their efforts to successfully resolve criminal investigations and ensure officer safety.

The Grantee

NESPIN was established in 1979 as one of the six regional intelligence centers across the U.S. and covers the states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. According to NESPIN, its services are utilized by over 10,000 officers representing 973 local, state, and federal law enforcement member agencies in the New England region and acts as a focal point for the exchange of multi-jurisdictional information on major criminal activity including: gang activity, terrorism activity, organized crime, narcotics trafficking, human trafficking, and violent crime. Based on our review, NESPIN is funded exclusively by Congress through OJP's RISS Program grants.

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 NESPIN demonstrated adequate progress towards achieving 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, federal financial reports, and program income.

We tested compliance with what we considered to be the most important conditions of the grants. The DOJ Grants Financial Guide; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and the award documents contain the primary criteria we applied during the audit.

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

Audit Results

Program Performance and Accomplishments

We reviewed required performance reporting, grant solicitations and documentation, and interviewed NESPIN officials to determine whether NESPIN demonstrated adequate progress towards achieving program goals and objectives. We also reviewed NESPIN's compliance with the special conditions identified in the award documentation. The following sections describe the results of our review.

Program Goals and Objectives

The goals for the awards were to enhance criminal justice policies and practices in measurable ways that promote public safety and continue the efficient and effective sharing of information between criminal justice agencies and their partners.

We reviewed performance documentation, interviewed NESPIN personnel, and observed its staff's activities. We found that NESPIN:

- Submitted required RISS Center statistics for RISS national reports.
- Provided secure access to its intelligence database to vetted law enforcement officers.
- Loaned surveillance equipment to its members.
- Enhanced surveillance videos.
- Unlocked mobile phones seized as evidence for investigations with proper, approved warrants.
- Developed a property and recovery tracking system.
- Provided an officer safety event deconfliction system to its members.

Based on our review, we did not identify any indications that NESPIN was not adequately achieving the stated goals and objectives of the grants.

Required Performance 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 program performance information, we selected a sample of six performance measures from a submitted progress report. We then traced the items to supporting documentation maintained by NESPIN.

Based on our progress report testing, we did not identify any instances where the accomplishments described in the required report did not match supporting 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 significant to performance under the grants and not addressed in another section of this report. Of the 58 distinct special conditions attached to the two awards and two supplements, we evaluated a total of four special conditions related to administrative and training requirements.

Based on our sample, we did not identify any instances of NESPIN violating these additional special conditions we reviewed.

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 accurately account for funds awarded to them. To assess NESPIN'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 NESPIN adequately safeguarded the grant funds we audited. Finally, we performed testing in the areas that were relevant for the management of this grant, as discussed throughout this report.

Based on our review, we did not identify significant concerns related to grant financial management.

Single Audit

Non-federal entities that receive federal financial assistance are required to comply with the *Single Audit Act of 1984*, as amended. The Single Audit Act provides for recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. Under the 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.

We reviewed NESPIN's Single Audit Reports for fiscal years 2017 through 2021 to identify any internal control weaknesses and significant non-compliance issues related to federal awards. Based on our review, we did not find significant deficiencies or material weaknesses in the Single Audit Reports we reviewed.

Grant Expenditures

Between July 1, 2018, and May 19, 2022, NESPIN charged a total of \$14,938,272 to the two grants and two supplements. Table 2 below summarizes the amounts expensed to each budget category.

Table 2

Expenditure Summary for NESPIN RISS Awards

Budget Category	Combined Total per Category
Personnel	\$9,149,716
Fringe Benefits	\$3,001,258
Other Expenses	\$1,631,396
Equipment	\$510,645
Contractual	\$431,388
Travel	\$154,656
Supplies	\$59,213
Total:	\$14,938,272

Source: NESPIN's Accounting System Data

To determine whether costs charged to the awards were allowable, reasonable, and supported in compliance with award requirements, we tested a sample of transactions in each budget category; our overall sample totaled \$685,609, or 4.59 percent of cumulative expenditures. We reviewed documentation, accounting records, and performed verification testing related to grant expenditures. Based on our testing, we did not identify any concerns with NESPIN's personnel and fringe benefits, other expenses, equipment, and supplies expenditures. However, we recommend OJP remedy \$8,340 in costs that were not adequately supported, and we identified areas that NESPIN could improve its policies and procedures in contractual and travel costs categories. The following sections describe the results of testing in contractual and travel costs.

Contractual Costs

According to Uniform Guidance 2 C.F.R. § 200.318, grant recipients must have and use documented procurement procedures for the acquisition of property or services required under a federal award. We found that NESPIN had a general purchasing policy that, among other things, established a requirement to document efforts made to establish fair and reasonable pricing for all purchases over \$1,000.

NESPIN charged \$431,388 in contractor costs to the two grants and two supplements. As part of our testing, we reviewed a sample of expenditures totaling \$29,426, or 6.82 percent of all contractual expenditures. Table 3 below summarizes the amounts expensed to each contractual cost category.

Table 3

Expenditure Summary for NESPIN RISS Contractual Cost

Category	Combined Total per Category
Subscriptions to Criminal and Public Information Resource Services	\$145,097
Computer Hardware/Software Maintenance Contracts	\$113,630
Accounting Services	\$89,000
Payroll Administration Services	\$71,284
Legal Services	\$8,340
Training, Conference & Meeting Facilities	\$4,037
Total:	\$431,388

Source: NESPIN's Accounting System Data

During our testing of transactions in this category, we found the expenditures generally were allowable and necessary. However, we found that NESPIN's procurement of its legal services was not adequately supported because its files did not include documentation demonstrating its efforts to ensure price reasonableness. NESPIN officials told us the law firm was selected by NESPIN's previous management and current staff could not provide record of the basis for the legal service prices. As a result, we recommend OJP remedy the unsupported legal services charges totaling \$8,340 due to a lack of documentation supporting the methodology for establishing fair and reasonable pricing.

During our review of NESPIN's contractual expenditures, we also found that its procurement process did not include a conflict of interest policy applicable to employees responsible for selecting, awarding, and administering contracts as required by the DOJ Grants Financial Guide. Although nothing came to our attention to indicate conflicts of interest related to these procurements, grantees should have controls in place to mitigate the risks associated with actions that may result in a clash between personal gains and professional duties. Therefore, we recommend that OJP ensure that NESPIN has effective, appropriate, and compliant procurement policies in accordance with the Uniform Guidance, including standards covering conflict of interest and employee participation in the selection, award, and administration of contracts.

Travel Costs

We determined that NESPIN used \$154,656 in grant funding for staff travel to attend training and various meetings. We reviewed a sample of travel expenditures totaling \$50,688, or 32.76 percent of all travel expenditures, and determined that these costs were allowable, necessary, and supported.

We also reviewed NESPIN's travel policy and found that it requires staff obtain the same lodging and airfare rates that are made available to federal government employees. Although its staff may not have been

eligible for or able to secure those rates, NESPIN's travel policy was silent regarding the alternative procedures staff should follow when they are unable to obtain federal government rates. We therefore recommend that OJP work with NESPIN to improve its written policies to clarify procedures that ensure and document travel rates and related costs are reasonable.

Budget Management and Control

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

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

Drawdowns

According to the DOJ Grants Financial Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. Additionally, recipients should request funds based upon immediate reimbursement requirements; grant funds will be disbursed over time as project costs are incurred or anticipated. We reviewed NESPIN's practices and interviewed responsible officials, and we found NESPIN's drawdown requests were made on a reimbursement basis every 2 weeks.

As of June 24, 2022, NESPIN's combined drawdown requests for the two grants and two supplements totaled \$15,093,738. To assess whether NESPIN managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records. We did not identify significant deficiencies related to NESPIN's process for developing drawdown requests. However, we identified deficiencies and questioned costs related to compliance of individual expenditures with grant rules. We addressed those deficiencies in the [Grant Expenditures](#) section in this report.

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 NESPIN submitted accurate financial reports, we compared a total of three federal financial reports to NESPIN's accounting records for the two grants and two supplements.

We determined that quarterly and cumulative expenditures for the reports reviewed matched the accounting records.

Program Income

According to the DOJ Grants Financial Guide, all income generated as a direct result of an agency-funded project shall be deemed program income. This income may be used to further the program objectives or refunded to the Federal Government. Additionally, program income may only be used for allowable program costs and must be expended prior to additional OJP drawdowns. We found NESPIN charged membership fees for members to participate in and receive services from the RISS network, and program income was included in the grant budgets submitted and approved by OJP. We reviewed how the dues were accounted for and used, and we found that program income was expended before any drawdowns were taken and was used to further the program objectives.

Conclusion and Recommendations

As a result of our audit testing, we concluded that NESPIN demonstrated adequate progress towards achieving the grants' stated goals and objectives. In addition, we did not identify significant issues regarding NESPIN's grant financial management, budget management and control, drawdowns, federal financial reports, and program income. However, we found that the NESPIN did not comply with award conditions related to contractor and travel costs. We provide three recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Remedy the unsupported legal services charges totaling \$8,340 due to a lack of documentation supporting the methodology for establishing fair and reasonable pricing.
2. Ensure that NESPIN has effective, appropriate, and compliant procurement policies in accordance with the Uniform Guidance, including standards covering conflict of interest and employee participation in the selection, award, and administration of contracts.
3. Work with NESPIN to improve its written policies to clarify procedures that ensure and document travel rates and related costs are reasonable.

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 Justice Programs (OJP) grants awarded to the New England State Police Information Network (NESPIN) under the Regional Information Sharing Systems Program. OJP awarded two grants and two supplements totaling \$16,064,209. Our audit concentrated on, but was not limited to, the period of July 2018 through October 2022. As of June 24, 2022, NESPIN had drawn down \$15,093,738 of the total grant funds awarded.

To accomplish our objectives, we tested compliance with what we considered to be the most important conditions of NESPIN's activities related to the audited grants. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges, other expense charges, equipment charges, contractual charges, travel charges, supplies charges, program income, financial reports, and progress report. 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 DOJ Grants Financial Guide; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; 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 and DOJ's JustGrants System, as well as NESPIN's accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems were verified with documentation from other sources.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of NESPIN to provide assurance on its internal control structure as a whole. NESPIN management is responsible for the establishment and maintenance of internal controls in

accordance with 2 C.F.R. § 200. Because we do not express an opinion on NESPIN's internal control structure as a whole, we offer this statement solely for the information and use of NESPIN and OJP.¹

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

¹ 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:²			
Unsupported Contractual Costs (legal services)	2018-RS-CX-0003	\$8,340	6
TOTAL DOLLAR-RELATED FINDINGS		<u>\$8,340</u>	

² **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; and 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 New England State Police Information Network, Inc. Response to the Draft Report



NEW ENGLAND STATE POLICE INFORMATION NETWORK

124 Grove Street, Suite 105, Franklin, MA 02038-3159 • 508-528-8200 • www.riss.net



January 27, 2023

Mr. Thomas O. Puerzer
Philadelphia Regional Audit Manager
United States Department of Justice
Office of the Inspector General
700 Market Street, Suite 2300
Philadelphia, PA 19106

Dear Mr. Puerzer:

I have received and reviewed the draft audit report on the Audit of the Office of Justice Programs Regional Information Sharing Systems Grants Awarded to New England State Police Information Network.

I concur with all three recommendations in the draft audit report and listed below are the actions that have been, or will be, taken to address the recommendations:

#1 Remedy the unsupported legal services charges totaling \$8,340 due to a lack of documentation supporting the methodology for establishing fair and reasonable pricing.

NESPIN is completing a comprehensive cost analysis of Boston area law firms that specialize in the type of legal services we require to ensure that future expenditures are documented and supported in accordance with reasonable pricing. While we believe the hourly rate that we paid for legal services was within the market norm for this region, this will provide us with solid documentation going forward. This will be completed by March 1st, 2023.

#2 Ensure that NESPIN has effective, appropriate, and compliant procurement policies in accordance with the Uniform Guidance, including standards covering conflict of interest and employee participation in the selection, award, and administration of contracts.

NESPIN will update our procurement policy to include standards relating to conflict of interest and employee participation in the selection, award, and administration of contracts. The NESPIN Employee Information Booklet (EIB) currently has a Conflict of Interest section applicable to all employees. It is copied below for reference; however, I agree with the need to specifically state it in our procurement policy. This update will be completed by June 30, 2023.

Conflict of Interest (NESPIN EIB Rev. 08.02.2021)

A "conflict of interest" exists when a person's private interests interfere in any way with the interests of NESPIN. A conflict of interest can arise when an employee takes actions or has interests that may make it difficult for the employee to perform work for NESPIN objectively and effectively. Conflicts of interest also may arise when NESPIN employees or members of their



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families or relatives, receive personal benefits as a result of the employee's position with NESPIN. NESPIN does not permit the hiring of family members/relatives of employees if the relative would be supervised or managed by the employee. Relatives of Board members cannot be hired unless member has vacated that position for more than one year. NESPIN does not permit the involvement of family members or relatives in performance decisions, promotions, pay changes, etc. relating to other family members or relatives. Conflicts of interest are prohibited. If you have any questions regarding conflicts of interest, you should consult with your Supervisor/Manager. Any NESPIN employee who becomes aware of an actual or potential conflict of interest shall immediately inform the Executive Director.

#3 Work with NESPIN to improve its written policies to clarify procedures that ensure and document travel rates and related costs are reasonable.

NESPIN has already updated our Travel Policy and it has been in place since December 15, 2022. We will confirm with OJP by March 1, 2023, that this updated policy satisfies the recommendation. The new Travel Policy is included as attachment 1. The accompanying Travel Authorization Form is included as attachment 2.

Sincerely,

Curtis McKenzie
Executive Director
New England State Police Information Network
124 Grove Street
Franklin, MA
02038

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



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

February 14, 2023

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

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

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Regional Information Sharing Systems Grants, Awarded to New England State Police Information Network, Franklin, Massachusetts*

This memorandum is in reference to your correspondence, dated January 17, 2023, transmitting the above-referenced draft audit report for the New England State Police Information Network (NESPIN). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains three recommendations and \$8,340 in questioned costs. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by OJP's response.

1. **We recommend that OJP remedy the unsupported legal services charges totaling \$8,340 due to a lack of documentation supporting the methodology for establishing fair and reasonable pricing.**

OJP agrees with the recommendation. In its response, dated January 27, 2023, NESPIN stated that it is completing a comprehensive analysis of Boston area law firms that specialize in the type of legal services it requires, to ensure that future expenditures are documented and supported, in accordance with reasonable pricing. However, NESPIN did not state how it will remedy the \$8,340 in questioned costs, related to legal services that lacked documentation supporting the methodology for establishing fair and reasonable pricing.

Accordingly, we will review the \$8,340 in questioned costs, related to unsupported contractual expenditures that were charged to Grant Numbers 2018-RS-CX-0003 and 15PBJA-21-GG-00348-RISS, and will work with NESPIN to remedy, as appropriate.

2. **We recommend that OJP ensure that NESPIN has effective, appropriate, and compliant procurement policies in accordance with the Uniform Guidance, including standards covering conflict of interest and employee participation in the selection, award, and administration of contracts.**

OJP agrees with the recommendation. In its response, dated January 27, 2023, NESPIN stated that its procurement policy will be updated by June 30, 2023, to include standards relating to conflict of interest, and employee participation in the selection, award, and administration of contracts.

Accordingly, we will coordinate with NESPIN to obtain a copy of revised written policies and procedures, developed and implemented, to ensure that it has effective, appropriate, and compliant procurement policies, in accordance with Uniform Guidance, including standards covering conflict of interest and employee participation in the selection, award, and administration of contracts.

3. **We recommend that OJP work with NESPIN to improve its written policies to clarify procedures that ensure and document travel rates and related costs are reasonable.**

OJP agrees with the recommendation. In its response, dated January 27, 2023, NESPIN provided a copy of its updated travel policy, to ensure that travel rates and related costs are reasonable and properly documented, and stated that it had been in place since December 15, 2022. We believe that the revised policies and procedures are adequate to address this recommendation. However, NESPIN did not provide a signed copy of the policies and procedures, evidence that they were formally implemented, and were distributed to staff responsible for managing Federal grant funds.

Accordingly, we will coordinate with NESPIN to obtain a signed copy of its revised travel policy, and evidence that it was distributed to staff responsible for managing Federal grant funds.

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

cc: Maureen A. Henneberg
Deputy Assistant Attorney General

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Senior Advisor
Office of the Assistant Attorney General

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

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Control Number OCOM000120

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

The OIG provided a draft of this audit report to the Office of Justice Programs (OJP) and New England State Police Information Network, Inc. (NESPIN). NESPIN's response is incorporated in Appendix 3 and OJP's response is incorporated in Appendix 4 of this final report. In response to our draft audit report, OJP agreed with our recommendations, as a result, the status of the audit report is resolved. NESPIN concurred with all three recommendations. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for OJP:

- 1. Remedy the unsupported legal services charges totaling \$8,340 due to a lack of documentation supporting the methodology for establishing fair and reasonable pricing.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with NESPIN to remedy, the \$8,340 in questioned costs, related to unsupported contractual expenditures.

NESPIN concurred with our recommendation and stated in its response that it will complete a comprehensive cost analysis of Boston area law firms that specialize in the type of legal services it requires to ensure future expenditures are documented and supported in accordance with reasonable pricing. Additionally, it believes the hourly rate paid for legal services was within the market norm for this region, but will retain documentation going forward.

This recommendation can be closed when we receive evidence that OJP has remedied the \$8,340 in questioned costs due to a lack of documentation supporting the methodology for establishing fair and reasonable pricing.

- 2. Ensure that NESPIN has effective, appropriate, and compliant procurement policies in accordance with the Uniform Guidance, including standards covering conflict of interest and employee participation in the selection, award, and administration of contracts.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with NESPIN to obtain a copy of revised written policies and procedures, developed and implemented, in accordance with Uniform Guidance, including standards covering conflict of interest and employee participation in the selection, award, and administration of contracts.

NESPIN concurred with our recommendation and stated in its response that it will update its procurement policy to include standards related to conflict of interest and employee participation in the selection, award, and administration of contracts.

This recommendation can be closed when we receive evidence that NESPIN has implemented its updated procurement policies in accordance with the Uniform Guidance, including standards covering conflict of interest and employee participation in the selection, award, and administration of contracts.

3. Work with NESPIN to improve its written policies to clarify procedures that ensure and document travel rates and related costs are reasonable.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it received a copy of NESPIN's updated travel policy, but it was not a signed copy demonstrating evidence of formal implementation. OJP said it will coordinate with NESPIN to obtain a signed copy of its revised travel policy, and evidence that it was distributed to staff responsible for managing federal grant funds.

NESPIN concurred with our recommendation and stated in its response that it has updated its travel policy on December 15, 2022.

This recommendation can be closed when we receive evidence that OJP received a signed copy of NESPIN's policies and procedures implemented, and that the policy was distributed to staff responsible for managing federal grant funds.