



**AUDIT OF
THE OFFICE OF COMMUNITY ORIENTED POLICING SERVICES
2007 TECHNOLOGY PROGRAM GRANT
AWARDED TO THE TOWNSHIP OF KALAMAZOO
KALAMAZOO, MICHIGAN**

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

Audit Report GR-50-11-005
August 2011

**AUDIT OF
THE OFFICE OF COMMUNITY ORIENTED POLICING SERVICES
2007 TECHNOLOGY PROGRAM GRANT
AWARDED TO THE TOWNSHIP OF KALAMAZOO
KALAMAZOO, MICHIGAN**

EXECUTIVE SUMMARY

The Office of the Inspector General, Audit Division, has completed an audit of the Office of Community Oriented Policing Services (COPS) Technology Program grant number 2007-CK-WX-0041 in the amount of \$746,934 awarded to the Township of Kalamazoo, Michigan. The COPS Technology Grant Program is designed to assist state, local, and tribal law enforcement agencies to procure technology that enhances the ability to share information with regional, state, and federal partners. Grants are intended to help facilitate the sharing of information across multiple jurisdictions, with the ultimate objective of increasing public safety.

Specifically, the purpose of grant number 2007-CK-WX-0041 was to assist the Township of Kalamazoo to purchase and install a Michigan Public Safety Communications System radio tower site in northeast Kalamazoo Township to enhance police, fire, and emergency medical service communications in areas that currently have poor, or in some cases, no radio coverage. This system is expected to be shared by 24 Kalamazoo County fire, police, emergency management, emergency medicine, school, and transportation authorities. This site will enhance the technology and operation of the Michigan Public Safety Communications System.

The purpose of this audit was to determine whether reimbursements claimed for costs under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant, and to determine program performance and accomplishments. The objective of our audit was to review performance in the following areas: (1) internal control environment; (2) drawdowns; (3) grant expenditures, including personnel and indirect costs; (4) budget management and control; (5) matching; (6) property management; (7) program income; (8) federal financial and progress reports; (9) grant requirements; (10) program performance and accomplishments; and (11) monitoring of subgrantees and contractors. We determined that personnel costs, indirect costs, program income, and subgrantees were not applicable to this grant.

Our audit revealed only minor instances of noncompliance with regard to COPS grant requirements. Specifically:

- Kalamazoo Township does not have a policy to regularly change passwords for its automated accounting system; as a result its employees have never changed their passwords.
- Kalamazoo Township's 2008 and 2009 progress reports were filed 19 and 3 days late, respectively.
- Kalamazoo Township's property records did not identify as federally funded equipment that was purchased with federal funds.
- Kalamazoo Township lacks a formalized policy for accountable property.

The results of our audit are discussed in detail in the Findings and Recommendations section of the report. Our audit objective, scope, and methodology are discussed in Appendix I.

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INTRODUCTION

The Office of the Inspector General, Audit Division, has completed an audit of the Office of Community Oriented Policing Services (COPS) Technology Program grant number 2007-CK-WX-0041 in the amount of \$746,934 awarded to the Township of Kalamazoo, Michigan. The COPS Technology grant program is designed to assist state, local, and tribal law enforcement agencies to procure technology that enhances the ability to share information with regional, state, and federal partners. Grants are intended to help facilitate the sharing of information across multiple jurisdictions, with the ultimate objective of increasing public safety.

Specifically, the purpose of grant number 2007-CK-WX-0041 was to assist the Township of Kalamazoo to purchase and install a Michigan Public Safety Communications System (MPSCS) radio tower site in northeast Kalamazoo Township to enhance police, fire, and emergency medical service communications in areas that currently have poor, or in some cases, no radio coverage. This system is shared by 24 Kalamazoo County fire, police, emergency management, emergency medicine, school, and transportation authorities. This site is expected to enhance the technology and operation of the MPSCS.

The purpose of this audit was to determine whether reimbursements claimed for costs under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant, and to determine program performance and accomplishments. The objective of our audit was to review performance in the following areas: (1) internal control environment, (2) drawdowns, (3) grant expenditures, including personnel and indirect costs, (4) budget management and control, (5) matching, (6) property management, (7) program income, (8) federal financial and progress reports, (9) grant requirements, (10) program performance and accomplishments, and (11) monitoring of subgrantees and contractors. We determined that personnel costs, indirect costs, program income, and subgrantees were not applicable to this grant. As shown in Table 1, Kalamazoo Township was given a total of \$746,934 in federal funds to implement the grant program and was required to provide matching funds amounting to \$248,978, which represents 25 percent of the total award of \$995,912.

**TABLE 1 - COPS OFFICE TECHNOLOGY PROGRAM GRANT AWARDED
TO THE TOWNSHIP OF KALAMAZOO, MICHIGAN**

GRANT AWARD	AWARD START DATE	AWARD END DATE	AWARD AMOUNT
2007-CK-WX-0041	09/01/07	02/29/12	\$ 746,934
Local Match			248,978
Total:			\$ 995,912

Source: COPS

Background

Kalamazoo Township is located in southwest Michigan and, according to its grant application, has a population of 21,675.

COPS was established as a result of the Violent Crime Control and Law Enforcement Act of 1994 to assist law enforcement agencies in enhancing public safety through the implementation of community policing strategies in jurisdictions of all sizes across the country. Community policing represents a shift from more traditional law enforcement in that it focuses on prevention of crime and the fear of crime on a local basis. Community policing puts law enforcement professionals on the streets and assigns them a beat so they can build mutually beneficial relationships with the people they serve.

Our Audit Approach

We tested compliance with what we consider to be the most important conditions of the grant. Unless otherwise stated in our report, the criteria we audit against are contained in the *COPS 2007 Technology Program Grant Owner's Manual* and the grant award documents.

In conducting our audit, we performed sample testing in four areas: (1) drawdowns, (2) grant expenditures, (3) matching, and (4) asset management. In addition, we reviewed the timeliness and accuracy of Federal Financial Reports (FFR) and progress reports, evaluated performance to grant objectives, and reviewed the internal controls of the financial management system.¹ Our audit objectives, scope, and methodology are discussed in Appendix I.

¹ The type of financial report submitted to OJP changed during our audit period. All reports submitted through September 30, 2009, were Financial Status Reports. After that time, the reports became Federal Financial Reports (FFR). Although we reviewed both types of reports, in this report we refer to all financial reports as FFRs.

FINDINGS AND RECOMMENDATIONS

Our audit revealed only minor instances of noncompliance with regard to COPS grant requirements. We found that Kalamazoo Township's internal control environment appears to be adequate to segregate duties, trace transactions, and limit access to systems. However, Kalamazoo Township does not have a policy to regularly change passwords to its accounting system; as a result the employees have never changed their passwords. Also, although the grantee maintains property listings, it lacks a formalized policy for accountable property. In addition, although the federal financial reports were accurate and submitted in a timely manner, the 2008 and 2009 progress reports were filed 19 and 3 days late, respectively.

Internal Control Environment

We reviewed Kalamazoo Township's financial management system, policies, and procedures to assess its risk of non-compliance with laws, regulations, guidelines, and terms and conditions of the grant. We also interviewed individuals who were involved with the grant, such as grant project management, property management, and accounting personnel; and we evaluated grant management practices to further assess risk.

Single Audit

Office of Management and Budget (OMB) Circular A-133 requires grantees to perform a Single Audit if federal expenditures exceed \$500,000 in a year. We determined that Kalamazoo Township was not required to have a Single Audit performed in 2008 and 2009 because the township's federal award expenditures did not exceed \$500,000 in either fiscal year.²

Financial Management System

Kalamazoo Township maintains its accounting records in an automated, stand-alone system. The financial management system provides for segregation of duties, transaction traceability, and limited access to the system. However, there was no policy to regularly change passwords, and as a result the accounting employees have never changed their passwords. We believe that Kalamazoo Township's accounting staff should change their passwords on a regular basis to enhance security over the accounting system. Based on our review of the financial management system and

² Kalamazoo Township's fiscal year is from January 1 through December 31.

interviews with township personnel, except for not changing passwords to the financial management system, we believe Kalamazoo Township utilizes an adequate system of internal controls to ensure compliance with applicable financial requirements of the COPS Technology Program.

Drawdowns

Grant officials stated that drawdowns were based on actual expenditures in the accounting records, less a required local match of 25 percent. As shown in Table 2, we reviewed the accounting records and compared expenditures to actual drawdowns and found that the drawdowns were less than the expenditures by approximately 25 percent. This is because the accounting records include both the federal portion (75 percent) and the match portion (25 percent). As a result, we concluded that there were no excess drawdowns.

TABLE 2 - DRAWDOWNS VERSUS ACCOUNTING RECORDS

DATE OF DRAWDOWN PER COPS	AMOUNT OF DRAWDOWN PER COPS	GRANT EXPENDITURES PER ACCOUNTING RECORDS FOR DRAWDOWN PERIOD	CUMULATIVE DRAWDOWNS PER COPS	CUMULATIVE EXPENDITURES PER ACCOUNTING RECORDS
01/07/2009	\$401,222	\$531,862	\$401,222	\$531,862
04/14/2009	5,153	16,095	406,375	547,957
08/03/2009	89,784	113,591	496,159	661,548

Source: COPS and Kalamazoo Township accounting records

Budget Management and Control

The grant award total project costs were \$995,912, including federal funds and local match. As shown in Table 3, Kalamazoo Township's budget contained a small amount for travel to attend the required COPS Technology Program Advanced Training Workshop, while the bulk of the budget was for the purchase of the radio tower equipment. We assessed the grantee's expenditures in the budget categories, and we determined that Kalamazoo Township adhered to the grant requirement to spend grant funds within the approved budget categories.

**TABLE 3
BUDGET MANAGEMENT AND CONTROL**

COST CATEGORY	ORIGINAL GRANT BUDGET	ACTUAL COSTS (as of 12/1/10)
Personnel	-	-
Fringe Benefits	-	-
Travel	\$ 5,284	\$ 1,861
Equipment	990,628	659,687
Supplies	-	-
Construction	-	-
Contract/Consultant	-	-
Other	-	-
TOTAL DIRECT COSTS	995,912	661,548
Indirect Costs	-	-
TOTAL	\$995,912	\$661,548
FEDERAL FUNDS	746,934	535,388
LOCAL MATCH	\$248,978	\$126,160

Source: COPS and Kalamazoo Township Accounting Records

Matching Costs

As shown in Table 3 above, under grant number 2007-CK-WX-0041, Kalamazoo Township was required to provide \$248,978 in local matching funds, which represents 25 percent of the total project budget of \$995,912. At the time of our audit, project expenditures were \$661,548 and the match contribution was \$126,160, which represented 19 percent of total expenditures. The Chief stated that Kalamazoo Township's remaining match funds would be provided out of the Township's 911 fees, and he would ensure the local match requirement was fully met by the end of the grant period.³ Additionally, we reviewed the two matching transactions for allowability and supporting documentation and found no discrepancies.

³ According to the *COPS 2007 Technology Program Grant Owner's Manual*, matching contributions may be applied at any time during the life of the grant, provided that the full matching share is obligated by the end of the grant period.

Grant Expenditures

We reviewed Kalamazoo Township's general ledger accounts designated for the COPS Technology grant funds and identified 20 transactions totaling \$661,548. We reviewed 100 percent of the grant-funded transactions to confirm they were appropriately authorized, properly classified to the budget categories, accurately recorded, and properly supported. The only discrepancies we found were that travel expenditures were not properly charged to the grant. Grant officials told us that this was because the grant account had not yet been set up at the time the expenditures were incurred. Kalamazoo Township never transferred those expenses to the new grant account when it was set up in 2008, but left the expenditures in the Police Department's Travel Account because the costs were expended in the prior fiscal year. We did not consider this to be significant.

Accountable Property

OMB Circular A-133 and 28 C.F.R. § 66.32 (2009) require grantees to implement controls to ensure property and equipment purchased with federal funds are properly safeguarded against loss from unauthorized use or disposition. As described in the Budget Management and Control section of this report and illustrated in Table 3, Kalamazoo Township budgeted \$990,628 for equipment and had expended \$659,687 for equipment at the time of our fieldwork. We reviewed Kalamazoo Township's records for accountable equipment and selected all of the equipment purchased and installed to verify that the items were: (1) shown in the inventory, (2) identified as federally funded, (3) physically present, and (4) used as shown in the grant award documentation. During this review, we found that the radio equipment purchased with grant funds was not identified as federally funded in the property records. The grantee agreed that this was true.

In addition, we found that although the grantee maintains equipment listings and could articulate its practices for physical inventories and other property management functions, it lacks a formalized policy for accountable property. We believe that Kalamazoo Township should develop a formal, written policy governing its property management functions to ensure all property, including property purchased with federal funds, is properly safeguarded against loss.

Reports

According to the *COPS 2007 Technology Program Grant Owner's Manual*, award recipients are required to submit both financial and program progress reports. These reports describe the status of the funds and the project, compare actual accomplishments to the objectives, and report other pertinent information. We reviewed Federal Financial Reports (FFR) and annual Progress Reports, and found the FFRs and Progress Reports were generally timely and accurate.

Federal Financial Reports

COPS requires grantees to submit FFRs no later than 30 days after the end of each quarter. We reviewed the four most recently submitted FFRs at the time of our fieldwork and found all four were submitted timely, as shown in Table 4.

TABLE 4 - FEDERAL FINANCIAL REPORT HISTORY

REPORT PERIOD FROM - TO DATES	FFR DUE DATES	DATE SUBMITTED	DAYS LATE
10/01/09 - 12/31/09	01/30/2010	01/08/2010	0
01/01/10 - 03/31/10	04/30/2010	04/02/2010	0
04/01/10 - 06/30/10	07/30/2010	07/01/2010	0
07/01/10 - 09/30/10	10/30/2010	10/04/2010	0

Source: COPS

We also reviewed eight FFRs for accuracy and found that the reports accurately reflected grant-funded expenditures, as shown in Table 5.⁴

⁴ Because there were no expenditures during the four most recent FFR periods, we went back and examined four additional FFRs for accuracy.

TABLE 5 - FEDERAL FINANCIAL REPORT ACCURACY

REPORT PERIOD FROM -TO DATES	EXPENDITURES PER FFR	EXPENDITURES PER ACCOUNTING RECORDS	DIFFERENCE BETWEEN FFRs & ACCOUNTING RECORDS
10/01/08 - 12/31/08	\$530,000	\$530,000	\$0
01/01/09 - 03/31/09	9,974	9,974	0
04/01/09 - 06/30/09	6,121	6,121	0
07/01/09 - 09/30/09	113,591	113,591	0
10/01/09 - 12/31/09	0	0	0
01/01/10 - 03/31/10	0	0	0
04/01/10 - 06/30/10	0	0	0
07/01/10 - 09/30/10	0	0	0

Source: COPS and Kalamazoo Township accounting records

Program Progress Reports

According to the *COPS 2007 Technology Program Grant Owner's Manual*, progress reports are due annually to COPS. We reviewed the two most recent progress reports and found that the 2008 progress report was submitted 19 days late and the 2009 progress report was submitted 3 days late, as shown in Table 6. On February 1, 2010, COPS notified Kalamazoo Township that it was late in submitting the 2009 progress report. Kalamazoo Township submitted the report the next day.

TABLE 6 - PROGRESS REPORT HISTORY

REPORT PERIOD FROM - TO DATES	DUE DATE	DATE SUBMITTED	DAYS LATE
01/01/08 - 12/31/08	1/30/2009	02/18/2009	19
01/01/09 - 12/31/09	1/30/2010	02/02/2010	3

Source: COPS

The reports we reviewed appeared to be acceptable in form and content; reports were completed in a survey format rating a series of program performance statements on a scale of 1 to 10. The reports we reviewed were completed fully and appeared relevant to performance of the grant-funded program.

Compliance with Grant Requirements

We reviewed the special conditions of the grant award and found there were two key requirements: (1) attendance at the COPS Technology Program Advanced Training Workshop by two employees, and (2) organizing a technical assistance site visit by a DOJ-funded National Technical

Assistance Program. We found that two Kalamazoo Township employees attended the COPS Technology Program Advanced Training Workshop in February 2009. Also, the technical assistance site visit, along with the subsequent technical assistance report, was executed.

Program Performance and Accomplishments

According to the grant application, the purpose of the grant was to purchase and install a Michigan Public Safety Communications System (MPSCS) antenna at a new radio tower site in northeast Kalamazoo Township to enhance police, fire, and emergency medical services communications in areas that had poor, or in some cases, no radio coverage.

The grantee established timelines in its application for accomplishing the goals and objectives of the program. Kalamazoo Township established three milestones for the program, which were the 30 percent, 80 percent, and 100 percent completion stages of the project. According to the Project Manager, there were minor delays in implementing the grant program because the original tower at the Kalamazoo County Sheriff's Office was overused and Kalamazoo Township had to wait for the County to erect another tower. At the time of our audit, there were remaining unspent grant funds and the grantee had not drawn down grant funds for more than 1 year. According to the grantee, Kalamazoo Township is planning to request a grant modification to use the remaining funds for additional radio enhancement in the form of upgraded mobile radios for all Kalamazoo Township police cars and to establish a second MPSCS antenna site.

Recommendations

We recommend that COPS:

1. Require that Kalamazoo Township develops a policy to ensure passwords for the automated accounting system are changed regularly.
2. Require that Kalamazoo Township radio equipment purchased with grant funds be identified as federally funded in its property records.
3. Require that Kalamazoo Township formalize its property management procedures to ensure that federally funded property is adequately safeguarded.
4. Require Kalamazoo Township to develop procedures to ensure progress reports are filed in a timely manner.

OBJECTIVE, SCOPE, AND METHODOLOGY

The purpose of this audit was to determine whether reimbursements claimed for costs under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine program performance and accomplishments. The objective of our audit was to review performance in the following areas: (1) internal control environment; (2) drawdowns, (3) grant expenditures, including personnel and indirect costs; (4) budget management and control; (5) matching; (6) property management; (7) program income; (8) federal financial and progress reports; (9) grant requirements; (10) program performance and accomplishments; and (11) monitoring of subgrantees and contractors. We determined that personnel costs, indirect costs, program income, and subgrantees were not applicable to this grant.

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. Our audit concentrated on, but was not limited to, the award of the grant on September 1, 2007, through December 1, 2010. This was an audit of Kalamazoo Township COPS Technology grant number 2007-CK-WX-0041. Kalamazoo Township had a total of \$496,159 in drawdowns through November 8, 2010.

We tested compliance with what we consider to be the most important conditions of the grant. Unless otherwise stated in our report, the criteria we audit against are contained in the *Office of Justice Programs Financial Guide*, the *COPS 2007 Technology Program Grant Owner's Manual*, and the award documents.

In conducting our audit, we performed testing in four areas: (1) drawdowns, (2) grant expenditures, (3) matching, and (4) property management. We tested 100 percent of the items in each category due to the small number of transactions. We tested 4 drawdowns, 20 grant expenditures, 2 matching expenditures, and several pieces of equipment.

In addition, we reviewed the timeliness and accuracy of FFRs and Progress Reports, and we evaluated performance as it related to grant objectives. However, we did not test the reliability of the financial management system as a whole.

AUDITEE RESPONSE

1720 Riverview Drive
Kalamazoo, Michigan 49004-1099

www.kalamazootownship.org

Charter
Township
of Kalamazoo

July 26, 2011

VIA ELECTRONIC and U.S. MAIL

Carol S. Taraszka
U.S. Department of Justice
Office of the Inspector General
Chicago Regional Audit Office
500 West Madison Street, Suite 1121
Chicago, IL 60661-2590

Dear Ms. Taraszka:

The Charter Township of Kalamazoo has received the draft copy of the Department of Justice Office of the Inspector General's audit of the COPS TECH 2007 grant number 2007-CK-WX-0041 and has carefully reviewed it. We were pleased, given the depth of the inquiry that only four minor issues were noted. This grant is relatively simple in scope and operation and has not been fully completed. As a result, the auditor was able to review each and every financial transaction, inventory each piece of equipment acquired and generally reconstruct each action taken by the grantee to date in fulfillment of this grant.

With respect to the recommendations, our comments are as follows:

- 1) With regard to password changes on the Township's financial accounting system, we will immediately begin to require password changes. In discussion with the auditor we realize that while there is no policy, rule or regulation requiring such changes we concur it is a best practice. As noted, there have been no security issues associated with the current practice. At this point only two employees have access to the system.
- 2) With respect to items 2 and 3, we were unaware of the requirements or frankly the existence of Office of Management and Budget Circular A-133 until reading the draft audit report. During the two weeks the auditor was present on site, she sought guidance from her Washington office as to whether such requirements were applicable under this grant. She still did not know at the conclusion of her visit in December of 2010. We re-reviewed all material provided at the mandatory grant recipient's conferences and likewise were unable to locate any information regarding this requirement. Upon further review of the COPS Technology Grant Program Grant Owner's Manual, we do indeed find OMB Circular A-133 listed as one of twenty references as secondary sources in the appendix of the manual.

Board of Trustees

Terri E. Mellinger, Supervisor, Supervisor@kalamazootownship.org (269)381-8083 ext. 1211 Fax: 38 1-6930
Donald Z. Thall, Clerk, Clerk@kalamazootownship.org (269)38 1-8080 ext. 11 71 Fax: 38 1-3550
George E. Cochran, Treasurer, Treasurer@kalamazootownship.org (269)38 1-8080 ext. 1161 Fax: 38 1-3550
Trustees: Patricia C. Hiatt, Donald D. Martin. Mark E. Miller & Ronald E. Reid

In short, we would be happy to follow any law or promulgated rule/requirement which is applicable but would respectfully suggest that COPS give grantees reasonable notice of such requirements. In our opinion, mention at the mandatory grant conference and in the grant owner's manual would give such notice. As one might imagine, the federal bureaucracy can be quite overwhelming to those not intimately familiar with it or accustomed to its intricacies. In light of our newfound knowledge of OMB Circular A-133 we will take immediate steps to codify our current practices in a formalized policy to mark and inventory the property as required. Our past experience in receiving equipment through the state or federal governments that require such marking is that the granting entity provided appropriate labels.

- 3) We acknowledge the late submission of the 2008 and 2009 progress reports as noted (3 days and 19 days respectively). All subsequent progress reports and all financial reports throughout the life of the grant have been filed early. All future reports will be as well.

We would also like to inform you that Supervisor Terri Mellinger is currently incapacitated and unable to sign this response therefore Treasurer George Cochran is acting in her behalf.

Should you have any questions or need any further information please contact Chief Bourgeois at (269) 567-7523.

Sincerely,

/s/

Timothy S. Bourgeois, Chief of Police
Charter Township of Kalamazoo

/s/

George Cochran, Treasurer
Charter Township of Kalamazoo

xc: Donald James (Jim) Lango, Management Analyst COPS Audit Liaison Division
Rita M. Reinhardt, C.P.A., Auditor, Chicago Regional Audit Office

U.S. DEPARTMENT OF JUSTICE RESPONSE

U.S. Department of Justice
Office of Community Oriented Policing Services (COPS)

Audit Liaison Division
Two Constitution Square
145 N Street, NE
Washington, DC 20530
(202) 514-7022 (Telephone)
(202) 616-4418 (Facsimile)

Via Electronic and U.S. Mail

To: Carol S. Taraszka
Regional Audit Manager
Office of the Inspector General
Chicago Regional Audit Office

From: Donald J. Lango
Management Analyst/Audit Liaison
COPS Audit Liaison Division

Date: July 27, 2011

Subject: Response to Draft Audit Report for the Township of Kalamazoo, Michigan

This memorandum is in response to your July 7, 2011 draft audit report for the Township of Kalamazoo, Michigan. For ease of review, each audit recommendation is stated in bold and underlined, followed by COPS' response to the recommendation.

Recommendation 1: Require that Kalamazoo Township) develops a policy to ensure passwords for the automated accounting system are changed regularly.

The COPS Office concurs with the recommendation that the Township of Kalamazoo (Kalamazoo) should develop a policy to ensure passwords for the automated accounting system are changed regularly.

Discussion and Planned Action:

Kalamazoo agreed to implement this recommendation and advised they have already started requiring password changes for its accounting system. However, Kalamazoo has not provided a copy of its revised policies. We will work with Kalamazoo to obtain a copy of their revised policy when available and will ensure that it adequately addresses this recommendation. We will forward this policy at that time to the OIG for review and closure of the recommendation.

Request:

Based on the discussion and planned action, COPS requests resolution of Recommendation 1.

Recommendation 2: Require that Kalamazoo Township radio equipment purchased with grant funds be identified as federally funded in its property records.

The COPS Office concurs with the recommendation that Kalamazoo should identify the radio equipment purchased with grant funds as federally funded in its property records.

Discussion and Planned Action:

Kalamazoo agreed to implement this recommendation and advised they will codify their practices into a formal policy to ensure that property purchased with Federal funds is marked and inventoried as required. We will request that the grantee provide documentation to show that it has identified radio equipment purchased with grant funds as federally funded in its property records. We will forward this documentation to the OIG for review and closure of the recommendation.

Request:

Based on the discussion and planned action, COPS requests resolution of Recommendation 2.

Recommendation 3: Require that Kalamazoo Township formalize its property management procedures to ensure that federally funded property is adequately safeguarded.

The COPS Office concurs with the recommendation that Kalamazoo should formalize its property management procedures to ensure that federally funded property is adequately safeguarded.

Discussion and Planned Action:

Kalamazoo agreed to implement this recommendation and advised they will codify their practices into a formal policy to ensure that property purchased with Federal funds is marked and inventoried as required. However, Kalamazoo has not provided a copy of its revised policies. We will work with Kalamazoo to obtain a copy of their revised policy when available and will ensure that it adequately addresses this recommendation. We will forward this policy at that time to the OIG for review and closure of the recommendation.

Request:

Based on the discussion and planned action, COPS requests resolution of Recommendation 3.

Carol S. Taraszka, Regional Audit Manager
July 27, 2011
Page 3

Recommendation 4: Require Kalamazoo Township to develop procedures to ensure progress reports are filed in a timely manner.

The COPS Office concurs with the recommendation that Kalamazoo develop procedures to ensure that progress reports are filed in a timely manner.

Discussion and Planned Action:

Kalamazoo acknowledged that it had filed two of its progress reports late. We will request that the grantee develop and provide a copy of procedures implemented to ensure that progress reports are submitted in a timely manner.

Request:

Based on the discussion and planned action, COPS requests resolution of Recommendation 4.

COPS would like to thank you for the opportunity to review and respond to the draft audit report. If you have any questions, please contact me at 202-616-9215, or you may email at donald.lango@usdoj.gov.

Carol S. Taraszka, Regional Audit Manager
July 27, 2011
Page 4

cc: Dominic S. Gagliardi (copy provided electronically)
Chicago Regional Audit Office

Richard P. Theis (copy provided electronically)
Justice Management Division

Mary T. Myers (copy provided electronically)
Justice Management Division

Cynthia A. Bowie (copy provided electronically)
Audit Liaison Division

Nancy Daniels (copy provided electronically)
Audit Liaison Division

Timothy S. Bourgeois (copy provided electronically)
Township of Kalamazoo Police Department

Ms. Terri Mellinger (copy provided electronically)
Township of Kalamazoo

George Cochran (copy provided electronically)
Township of Kalamazoo

Grant File 2007-CK-WX-0041 (Technology Grant)

Audit File

ORI: M139500

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

The OIG provided a draft of this audit report to the Township of Kalamazoo and the Office of Community Oriented Policing Services (COPS). Kalamazoo Township's response is incorporated in Appendix II of this final report, and COPS's response is incorporated as Appendix III.

Recommendation Number

1. **Resolved.** Both Kalamazoo Township and COPS concurred with our recommendation to require that Kalamazoo Township develop a policy to ensure passwords for the automated accounting system are changed regularly. COPS stated in its response that Kalamazoo Township has already started requiring password changes for its accounting system and that COPS will obtain and forward to the OIG a copy of Kalamazoo Township's revised policy when it is available.

This recommendation can be closed when we receive a copy of the revised policy that ensures passwords for Kalamazoo Township's automated accounting system are changed regularly.

2. **Resolved.** Kalamazoo Township and COPS both concurred with our recommendation to require that Kalamazoo Township identify the radio equipment purchased with grant funds as federally funded in its property records. COPS stated in its response that Kalamazoo Township advised that it will codify its practices into a formal policy to ensure that property purchased with federal funds is identified as required. In its response, Kalamazoo Township expressed frustration about the intricacies of criteria governing grants management and noted that officials were unaware of the requirements and the existence of the Office of Management and Budget Circular A-133 cited in our report. In an effort to provide more information on the requirements for managing equipment that has been acquired with grant funds (in whole or in part), we have added to the criteria cited in this section of the report to include 28 C.F.R. § 66.32 (2009).

This recommendation can be closed when we receive a copy of the formal policy that ensures Kalamazoo Township's property purchased with federal funds is identified as federally funded in its accounting records.

3. **Resolved.** Both Kalamazoo Township and COPS concurred with our recommendation to require that Kalamazoo Township formalize its property management procedures to ensure that federally funded property is adequately safeguarded. COPS stated in its response that Kalamazoo Township agreed to implement this recommendation by codifying their practices into a formal policy to ensure that property purchased with federal funds is inventoried as required and COPS will forward to the OIG a copy of Kalamazoo Township's revised policy. As stated above, Kalamazoo Township's response indicated that officials were unaware of property management requirements governing federal grantees. We have added to the criteria cited in this section of the report to include 28 C.F.R. § 66.32 (2009), in an effort to provide more information on the requirements for managing equipment that has been acquired with grant funds (in whole or in part).

This recommendation can be closed when we receive a copy of the formal policy that ensures Kalamazoo Township's property purchased with federal funds is adequately safeguarded.

4. **Resolved.** Kalamazoo Township and COPS both concurred with our recommendation to require that Kalamazoo Township develop procedures to ensure that progress reports are filed in a timely manner. COPS stated in its response that Kalamazoo Township acknowledged that it had filed two of its progress reports late. COPS also stated that it will request that Kalamazoo Township develop and provide a copy of procedures implemented to ensure that progress reports are submitted in a timely manner.

This recommendation can be closed when we receive a copy of the procedures implemented by Kalamazoo Township to ensure that progress reports are submitted in a timely manner.