



Audit of the Office of Justice Programs
Coronavirus Emergency Supplemental Funding
Grant Awarded to the
Connecticut Office of Policy and Management,
Hartford, Connecticut



AUDIT DIVISION

24-007

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EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Coronavirus Emergency Supplemental Funding Grant Awarded to the Connecticut Office of Policy and Management, Hartford, Connecticut

Objectives

The Office of Justice Programs (OJP) Bureau of Justice Assistance (BJA) awarded the Connecticut Office of Policy and Management (CT OPM) one grant totaling \$5,875,620 under the Coronavirus Emergency Supplemental Funding Grant Program. The objectives of this audit were to determine whether costs claimed under the grant were allowable, supported, and properly allocated, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether CT OPM demonstrated adequate progress towards achieving program performance objectives.

Results in Brief

As a result of our audit, we concluded that CT OPM generally complied with all of the grant requirements we tested and demonstrated adequate progress towards achieving the program performance objectives. We found that all tested expenditures were allowable, supported, and properly allocated, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. Additionally, we did not identify significant issues regarding CT OPM's grant financial management, grant expenditures, budget management, drawdowns, program income and federal financial reports. Therefore, we make no recommendations.

Audit Results

The purposes of the OJP grant we reviewed were to assist eligible states, local units of government, and tribes in preventing, preparing for, and responding to the Coronavirus. The project period for the grant was from January 2020 through January 2024. On June 18, 2020, CT OPM received an advanced drawdown for the entire award, totaling \$5,875,620. We provided a copy of this draft audit report to CT OPM and OJP Officials. Though our report does not have any recommendations, OJP provided a response, which can be found in Appendix 2. CT OPM elected not to provide a written response.

Program Performance and Accomplishments

We determined that there were no indications that CT OPM was not adequately achieving its program performance objectives to prevent, prepare for, and respond to Coronavirus challenges in the state of Connecticut.

Grant Financial Management and Expenditures

We examined policy and procedures and performed testing in the areas that were relevant to the management of this grant and did not identify significant concerns related to CT OPM's grant financial management. Additionally, we tested a sample of transactions totaling \$244,126, and found that the costs were allowable, supported, and properly allocated.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of a grant awarded by the Office of Justice Programs (OJP) Bureau of Justice Assistance (BJA), under the Coronavirus Emergency Supplemental Funding (CESF) Program, to the Connecticut Office of Policy and Management (CT OPM) in Hartford, Connecticut. CT OPM was awarded one grant totaling \$5,875,620, as shown in Table 1.

Table 1

Grants Awarded to Connecticut Office of Policy and Management

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date ^a	Award Amount
2020-VD-BX-0171	BJA	05/01/2020	01/20/2020	01/31/2024	\$5,875,620

^a CT OPM received two 1-year extensions for the audited award.

Source: JustGrants

OJP received \$850 million in FY 2020 through the Coronavirus Aid, Relief, and Economic Security Act to prevent, prepare for, and respond to the Coronavirus. Using these funds, OJP created the CESF formula grant program.¹ Funding through the CESF program, which only received funds in FY 2020, was aimed at assisting eligible states, local units of government, and tribes in preventing, preparing for, and responding to the Coronavirus. Allowable uses of CESF funding include, but are not limited to, overtime, equipment (including law enforcement and medical personal protective equipment), hiring, supplies (such as gloves, masks, sanitizers), training, and addressing the medical needs of inmates in state, local, and tribal prisons, jails, and detention centers. CT OPM, as the pass-through entity, is responsible for ensuring its subrecipients use CESF funds to respond to Coronavirus challenges in the state of Connecticut.

The Grantee

CT OPM serves as the state of Connecticut's state administrating agency of multiple OJP grant programs and as such, must ensure that all funding is utilized correctly and in accordance with federal, state, and special conditions. According to its website, CT OPM's mission is to provide information and analysis that the Governor uses to formulate public policy goals for the state of Connecticut and assist state agencies and municipalities in implementing policy decisions on behalf of the people of Connecticut.

OIG Audit Approach

The objectives of this audit were to determine whether costs claimed under the grant were allowable, supported, and properly allocated, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine whether CT OPM demonstrated adequate progress towards achieving program performance objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, grant financial

¹ Pub. L. No. 116-136.

management, grant expenditures, budget management and control, drawdowns, program income, and federal financial reports.

We tested compliance with what we consider to be the most important conditions of the grant. 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.

Audit Results

Program Performance and Accomplishments

We reviewed required performance reports, grant solicitations, and grant documentation, and interviewed CT OPM officials to determine whether adequate progress towards achieving program performance objectives occurred. We also reviewed progress reports to determine if the required reports were accurate.

Program Performance Objectives

Funds awarded under the CESF program grant must be utilized to prevent, prepare for, and respond to the Coronavirus. CT OPM provided funding to 11 subrecipients, which included Connecticut state agencies, municipal law enforcement agencies, and non-profit organizations. Over the course of this grant, subrecipients used CESF funding to pay for overtime, equipment such as laptops to conduct virtual visitation between inmates and families, and supplies used to process backlogged casework and database DNA samples.

Based on our review, there were no indications that CT OPM did not adequately achieve the grant's stated program performance objectives of using funds to prevent, prepare for, and respond to the Coronavirus.

Required Performance Reports

According to the DOJ Grants Financial Guide, funding recipients should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. In order to verify the information in CT OPM's progress reports, we selected a sample of two performance elements from two reports submitted for the grant. We then traced the items to quarterly programmatic reports submitted by subrecipients to CT OPM.

Based on our progress report testing, we did not identify any instances where the accomplishments described in the required reports did not match the supporting documentation submitted by the subrecipients.

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 CT OPM's financial management of the grant covered by this audit, we conducted interviews with financial staff, examined policy and procedures, and inspected grant documents to determine whether CT OPM adequately safeguarded the grant funds we audited. We also reviewed CT OPM's single audit report for fiscal year 2022 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 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 the state of Connecticut's most recent single audit report for the fiscal year ending June 30, 2022, to identify any control weaknesses and significant non-compliance issues related to federal awards. Based on our review, we did not find significant deficiencies or material weaknesses related to grant administration in the single audit report.

Grant Expenditures

Between April 2020 and March 2023, CT OPM charged a total of \$5,321,235 to the award we audited. Table 2 below summarizes the amounts charged to each budget category.

Table 2

Expenditure Summary for CT OPM CESF Grant

Budget Category	Combined Total By Category
Subrecipients	\$5,106,323
Personnel & Fringe	\$172,866
Indirect	\$42,046
Total:	\$5,321,235

Source: CT OPM Accounting System Data

To determine whether costs charged to the award were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions totaling \$244,126. We reviewed the listing of expenditures, supporting documentation, and accounting records. Based on our testing, we found that all tested transactions were fully supported, approved, and complied with award requirements. The following sections describe the results of our expenditure testing.

Subrecipient Costs and Monitoring

As of March 2023, CT OPM provided \$5,106,323 to 11 subrecipients in the state of Connecticut, which represented 96 percent of cumulative expenditures. We reviewed \$237,203—or 5 percent—of the \$5,106,323 charged in subrecipient costs, and found that the expenditures in our sample were allowable, supported, and properly allocated. We also evaluated CT OPM's monitoring process and found that CT OPM completed a risk assessment and conducted monitoring on each subrecipient.

Personnel and Fringe Benefit Costs

Consistent with CESF program guidelines, CT OPM was permitted to charge 10 percent of the total grant funds to pay for direct administrative costs. We found over the course of the grant we audited, CT OPM charged \$172,866 for these costs—or 3 percent of cumulative expenditures. CT OPM used the \$172,866 to pay personnel and fringe benefits of staff members who assisted in the administration of the CESF grant and conducted subrecipient monitoring. As part of our testing, we reviewed seven payroll transactions totaling \$6,923, or 4 percent of the amount charged, which included salary expenditures for seven different employees over the life of the grant. We determined all payroll charges tested were allowable, supported, and properly allocated.

Indirect Costs

Indirect costs are costs of an organization that are not readily assignable to a particular project but are necessary to the operation of the organization and the performance of the project. We reviewed CT OPM's Indirect Cost Rate Agreement and its listing of indirect expenditures and determined that CT OPM appropriately charged the grant for indirect costs.

Budget Management and Control

According to the DOJ Grants Financial Guide, a 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, grant recipients must initiate a Grant Award Modification 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 budget to determine whether CT OPM 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

Consistent with the CESF program's purpose, which involves providing assistance in response to the Coronavirus, OJP determined that eligible states may draw down funds either in advance or on a reimbursement basis. CT OPM was awarded the CESF grant on May 1, 2020, and received an advance drawdown for the entire award amount, totaling \$5,875,620, on June 18, 2020. After recording expenditures totaling \$5,321,235, in March 2023, CT OPM held a remaining balance of \$554,385.

During this audit, we found that CT OPM appropriately recorded the advance drawdown in its accounting system.

Program Income

Program income is gross income earned by the non-federal entity that is directly generated by a supported activity or earned as a result of the federal award during the performance period. As noted above, CT OPM received an advance drawdown for the entire award amount, and CT OPM placed the funds in an

interest-bearing account. As of April 2023, CT OPM earned \$17,491 in interest income. We conducted interviews with staff and reviewed a sample of CT OPM's quarterly interest statements and found that its interest-bearing account allowed for sufficient tracking and traceability of CESF program income funds. During our audit, we found CT OPM had not spent any program income generated through its account; however, CT OPM personnel told us that the income amount would be factored into its next round of subaward CESF funding to subrecipients.

Federal Financial Reports

According to the DOJ Grants Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for a reporting period on each financial report, as well as cumulative expenditures and program income. To determine whether CT OPM submitted accurate Federal Financial Reports, we compared the most recent report to CT OPM's accounting records.

We determined that cumulative expenditures and program income for the report reviewed matched the accounting records.

Conclusion

As a result of our audit testing, we conclude that CT OPM generally complied with all of the grant requirements we tested and demonstrated adequate progress towards achieving program performance objectives. We found that all tested expenditures were allowable, supported, and properly allocated, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant. Additionally, we did not identify significant issues regarding CT OPM's grant financial management, grant expenditures, budget management, drawdowns, program income, and federal financial reports. Therefore, we make no recommendations.

APPENDIX 1: Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to determine whether costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine whether Connecticut Office of Policy and Management (CT OPM) demonstrated adequate progress towards achieving the grant's stated program performance 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, program income, and federal financial reports.

Scope and Methodology

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

This was an audit of the Office of Justice Programs (OJP) Bureau of Justice Assistance (BJA) grant awarded to CT OPM under the Coronavirus Emergency Supplemental Funding (CESF) Program, 2020-VD-BX-0171; the award totaled \$5,875,620. On June 18, 2020, CT OPM received an advanced drawdown for the entire award amount, totaling \$5,875,620. Our audit concentrated on, but was not limited to, the period from January 2020 through September 2023.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of CT OPM's activities related to the audited grant. We performed sample-based audit testing for grant expenditures, including subrecipient charges, personnel 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 grant 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 DOJ's JustGrants system as well as CT OPM'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 CT OPM to provide assurance on its internal control structure as a whole. CT OPM's management is responsible for the establishment and maintenance of internal controls

in accordance with Office of Management and Budget Circular A-123, 2 C.F.R. § 200, etc. Because we do not express an opinion on CT OPM's internal control structure as a whole, we offer this statement solely for the information and use of CT OPM and OJP.²

We assessed management's design, implementation, and operating effectiveness of these internal controls and did not identify any deficiencies that we believe could affect CT OPM's ability to effectively operate, and to ensure compliance with laws and regulations. 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.

² This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: Office of Justice Programs Response to the Draft Audit Report



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

November 1, 2023

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

FROM: Jeffery A. Haley *Jeffery A. Haley*
Deputy Director, Audit and Review Division

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Coronavirus Emergency Supplemental Funding Grant Awarded to the Connecticut Office of Policy and Management, Hartford, Connecticut*

This memorandum is in response to your correspondence, dated October 25, 2023, transmitting the subject draft audit report for the Connecticut Office of Policy and Management. The draft audit report does not contain any recommendations directed to the Office of Justice Programs (OJP). Accordingly, OJP has reviewed the draft audit report and does not have any comments.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Linda J. Taylor, Lead Auditor, Audit Coordination Branch, of my staff, on (202) 514-7270.

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