



Audit of the Office of Justice Programs  
Coronavirus Emergency Supplemental Funding  
Grant Awarded to the City of Tucson,  
Tucson, Arizona



AUDIT DIVISION

24-094

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**AUGUST 2024**

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# EXECUTIVE SUMMARY

## **Audit of the Office of Justice Programs Coronavirus Emergency Supplemental Funding Grant Awarded to the City of Tucson, Tucson, Arizona**

### **Objectives**

The Office of Justice Programs (OJP) Bureau of Justice Assistance (BJA) awarded the City of Tucson one grant totaling \$949,721 under the Coronavirus Emergency Supplemental Funding (CESF) program. The objectives of this audit were to determine whether costs claimed under the grant were allowable, supported, and in accordance with select award requirements; and to determine whether the City of Tucson demonstrated adequate achievement of the program goal and objectives.

### **Results in Brief**

We concluded that the City of Tucson adequately achieved the program goal and objectives. In addition, we did not identify significant concerns regarding the City of Tucson's process for developing drawdown requests, contractual costs, or other direct costs. However, we identified \$7,114 in unallowable costs related to personnel and fringe benefit expenditures. We discussed this issue with City of Tucson officials in May 2024. By June 2024, the City of Tucson had coordinated with OJP to remedy the unallowable costs. As a result, we do not offer a recommendation.

We provided a draft copy of this audit report to City of Tucson and OJP officials. Though our report does not have any recommendations, OJP provided a response, which can be found in Appendix 2. The City of Tucson elected not to provide a written response.

### **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 December 2023. The City of Tucson drew down a cumulative amount of \$949,721 for the grant we reviewed.

#### **Program Performance and Accomplishments**

The goal of the award was to help the City of Tucson's criminal justice system prevent, prepare for, and respond to the coronavirus. The City of Tucson sought to achieve this goal through two main objectives: (1) by addressing the backlog of cases created by the partial shutdown of the City Court in response to the coronavirus pandemic, and (2) by purchasing equipment and improving facilities to increase safety for City of Tucson staff and the public. We found that the City of Tucson adequately achieved the program goal and objectives.

#### **Grant Expenditures**

We identified \$7,114 in unallowable costs related to personnel and fringe expenditures charged to the grant twice. We discussed this issue with City of Tucson officials, who stated that the costs had been manually recorded in the accounting records in error. The City of Tucson has since transitioned to a new accounting system that eliminates the need for manual entries. Further, the City of Tucson removed the \$7,114 from the grant records and replaced those expenditures with others incurred during the grant. We determined those expenditures were in the approved budget and were supported by proper documentation.

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# Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of one grant awarded by the Office of Justice Programs (OJP, Bureau of Justice Assistance (BJA) under the Coronavirus Emergency Supplemental Funding (CESF) program to the City of Tucson in Tucson, Arizona.<sup>1</sup>

**Table 1**

## Grant Awarded to the City of Tucson

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2020-VD-BX-1657	BJA	6/18/2020	1/20/2020	12/31/2023	\$949,721

**Note:** While this was awarded in June 2020, recipients were allowed to claim costs beginning in January 2020.

**Source:** JustGrants

Funding through the CESF program assists eligible states, U.S. Territories, the District of Columbia, units of local government, and tribes in preventing, preparing for, and responding to the coronavirus. Allowable projects and purchases include, but are not limited to: (1) overtime; (2) equipment (including law enforcement and medical personal protective equipment); (3) hiring; (4) supplies (such as gloves, masks, sanitizer); (5) training; (6) travel expenses (particularly related to the distribution of resources to areas most impacted by the coronavirus); and (7) addressing the medical needs of inmates in state, local, and tribal prisons, jails, and detention centers.

## The Grantee

The City of Tucson is Arizona’s second largest city with a population of more than 542,000. According to its website, the City of Tucson’s mission is to deliver exceptional service to the people of Tucson while valuing collaboration, integrity, excellence, and respect. For this grant, the City of Tucson funded departments with a criminal justice nexus, which consists of:

- The Tucson Police Department (PD), which serves the public in partnership with its community to protect life and property, prevent crime, and resolve problems. The Tucson PD, along with the City of Tucson’s Business Services Department, were responsible for the programmatic and financial management for this grant.

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<sup>1</sup> In addition to this grant, the City of Tucson received \$491,495 under the CESF program as a pass through from the Arizona Criminal Justice Commission. The majority of the budget was for supplies, such as masks, and also included computer equipment. We did not evaluate this grant as part of this audit.

- The City Court, which hears cases, receives fines and fees, and processes orders of protection and court forms and filings. The grant specifically identified a temporary Night Court to address a large backlog of cases caused by the pandemic.
- The City Public Defender's Office, which represents indigent persons who are facing criminal prosecution. The office's mission is to provide highly skilled and competent legal representation to protect the fundamental rights of all individuals by vigorously and effectively representing indigent persons who have been determined by the City Court to be eligible for its services.
- The City Attorney's Office, which oversees the Prosecutor's Office, drug enforcement, diversion programs, landlord-tenant issues, and consumer protection. The Prosecutor's Office in particular is responsible for prosecuting misdemeanor crimes committed inside the city limits and cited by the Tucson PD. Each year, the office prosecutes approximately 50,000 criminal cases in the City Court.

## OIG Audit Approach

The objectives of this audit were to determine whether costs claimed under the grant were allowable, supported, and in accordance with select award requirements; and to determine whether the City of Tucson demonstrated adequate achievement of the program goal and objectives. To accomplish these objectives, we assessed program performance, grant financial management, expenditures, and drawdowns.

We tested compliance with what we considered 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 award solicitations, award documentation, and program narratives, as well as interviewed City of Tucson officials and conducted fieldwork on-site to determine whether the City of Tucson demonstrated adequate achievement of the program goal and objectives. Overall, we found that the City of Tucson completed the program goal and objectives, as described below.

## Program Goal and Objectives

The goal of the award was to help the City of Tucson’s criminal justice system prevent, prepare for, and respond to the coronavirus. The City of Tucson sought to achieve this goal through two main objectives: (1) addressing the backlog of cases created by the partial shutdown of the City Court in response to the coronavirus pandemic, and (2) purchasing equipment and improving facilities to increase safety for City of Tucson staff and the public, and to facilitate remote work.

Because the goal of the grant program was largely expenditure-based, we based our evaluation of whether the City of Tucson achieved the program goal and objectives using the information obtained through our expenditure testing and through verification conducted while on-site, as detailed below.

**Table 2**

**Summary of Major Grant Program Activities**

Grant Activities		OIG Verification
	Address backlogs in the City of Tucson’s criminal justice system through salaries, overtime, and contract expenses.	We verified allowability of the positions, reviewed timesheets, and ensured expenditures were correctly recorded in the grant accounting records.
	Purchase office furniture for the Tucson PD and public spaces that can be easily sanitized.	We reviewed grant documentation, physically verified receipt of the furniture, and confirmed that it was being utilized.
	Purchase computers for staff working on grant objectives and to facilitate remote work.	We reviewed grant documentation, verified the computers were received and in use, and reviewed equipment logs to confirm they were provided to staff working on CESF-related goals.

Sources: City of Tucson, OIG analysis

Through our review of grant documentation and physical observations, we determined that the City of Tucson adequately achieved the program goal and objectives.

## 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 the City of Tucson's financial management of the grant covered by this audit, we conducted interviews with financial staff, examined the City of Tucson's policy and procedures, and reviewed award documents to determine whether the City of Tucson adequately safeguarded grant funds. We also reviewed the City of Tucson's Single Audit Reports from fiscal years (FY) 2020–2023 to identify internal control weaknesses and significant non-compliance issues related to federal awards. 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. However, we identified an issue related to the City of Tucson's procedures for charging overtime wages and fringe benefits to the award, which resulted in expenditures being charged to the grant twice. This deficiency is discussed in more detail in the Personnel and Fringe Benefit Costs section of this report.

## Single Audit

Non-federal entities that receive federal financial assistance are required to comply with the *Single Audit Act of 1984*, as amended. Under the Uniform Guidance, 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. In evaluating the City of Tucson's financial management of grants, we reviewed single audit reports for FYs 2020–2023 and did not identify significant deficiencies or material weaknesses related to the City of Tucson's DOJ grant management.

## Grant Expenditures

The City of Tucson's approved budget for this grant included personnel, fringe benefits, equipment, supplies, construction, procurement contracts, and other costs. According to the City of Tucson's accounting records, the City of Tucson expended grant funds totaling \$949,721 as of June 2024. Table 3 below summarizes the amounts charged to each budget category.

**Table 3**

**Expenditure Summary for the City of Tucson CESF Grant**

Budget Category	As of May 1, 2023	As of June 10, 2024
Personnel & Fringe	\$568,928	\$561,814
Contracted Professional Services <sup>a</sup>	\$131,081	\$131,081
Equipment, Supplies, and Other Costs <sup>b</sup>	\$249,646	\$256,826
<b>Total:</b>	<b>\$949,656<sup>c</sup></b>	<b>\$949,721<sup>d</sup></b>

<sup>a</sup> Expenditures under this category include, among others, security services for the City Court and court-appointed counsel for indigent defenders.

<sup>b</sup> Expenditures under this category include, among others, furniture, computer equipment, and minor repairs and renovations.

<sup>c</sup> Any difference between the total and the resulting calculation using the figures in the rows above is due to rounding.

<sup>d</sup> In June 2024, the City of Tucson coordinated with OJP to remedy \$7,114 of unallowable costs. Specifically, the City of Tucson removed the duplicative personnel expenditures from the grant records and replaced them with other approved direct costs incurred under the grant that were not claimed previously.

**Source:** City of Tucson 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 judgmental sample totaling \$351,606, or about 37 percent of claimed costs. We reviewed supporting documentation and accounting records as well as performed verification testing related to grant expenditures. The following sections describe the results of that testing.

**Personnel and Fringe Benefit Costs**

For personnel and fringe benefit costs, we tested a sample of 17 wage transactions and 61 fringe benefit transactions totaling \$53,096, or about 9 percent of claimed costs in those categories. This sample included transactions from each of the four City of Tucson departments associated with the grant, and we included all wage types charged (overtime, salaries, or both) for each department. Our sample covered nine transaction dates, which included two non-consecutive dates for three city departments and three non-consecutive dates for one city department.

Under the Uniform Guidance, improper payments are defined as any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other requirements. Incorrect amounts include overpayments that are made to eligible recipients, such as duplicate payments. The City of Tucson was not able to provide separate support for two overtime and six related fringe benefit transactions from our sample; rather, these transactions were duplicates of other transactions also included as part of our sample. Based on these results, we expanded our analysis by reviewing all personnel transactions charged to the grant and identified four additional duplicates on the same date and with the same memorandum line as the duplicates from our sample. We discussed this

issue with City of Tucson officials in May 2024. The Tucson PD Grant Manager confirmed that these were duplicate charges and that they were not reversed or otherwise removed from the grant. Overall, we identified 12 duplicate transactions totaling \$7,114, which related to overtime at the City Attorney's Office, the City Court, and the Tucson PD.<sup>2</sup>

According to the Tucson PD Grant Manager, the Tucson PD maintained a tracking sheet noting when expenses were journalled to the grant. These expenses would be reconciled to the general ledger each month. However, this manual process used by the Tucson PD at the time of this grant did not prevent the duplication because manual journal entries were not tied to an accounting transaction using an adjusting entry. The City of Tucson received \$7,114 in improper payments as a result of charging the grant for the same expenditures twice.

The Tucson PD Grant Manager added that this problem was related to the City of Tucson's former accounting system. As of the time of our audit, the City of Tucson has a new accounting system. According to the Tucson PD Grant Manager, the new system largely eliminates duplication as a possibility because it adjusts transactions automatically rather than requiring a manual journal entry that is not tied to the transaction. While the Tucson PD's previous process did not prevent the duplication, their new process appears likely to prevent this issue in the future.

In June 2024, OJP and the City of Tucson remedied the \$7,114 prior to the issuance of the draft report. Since the City of Tucson had overspent on the award for allowable expenses and was not able to receive reimbursement for those expenditures, it claimed a portion of the overspent funds to replace the unallowable personnel and fringe benefits. We reviewed the supporting documentation and did not identify any issues with the expenditures. Therefore, we do not offer a recommendation.

### **Other Direct Costs**

For other direct costs, we tested a sample of 15 transactions totaling \$298,510, or about 78 percent of claimed costs in other direct cost categories. We evaluated supporting documents for the selected transactions for completeness, accuracy, and appropriateness with respect to the audit criteria. We concluded that the supporting documents were complete and accurate and that the charges were appropriate with respect to the audit criteria. The subsections below provide more details on contractors and equipment.

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<sup>2</sup> As previously noted, the Tucson PD, along with the City of Tucson's Business Services Department, were responsible for the programmatic and financial management for this grant. The City of Tucson and the Tucson PD share an accounting system.

## Contractors

Among the 15 transactions we sampled, 11 were purchased through a contract. These contractors included: (1) security services for the City Court, (2) legal counsel appointed by the City Court, and (3) a furniture vendor.<sup>3</sup> We reviewed the contracts and examined three invoices—one from the security company, one from the furniture vendor, and one from the legal counsels<sup>4</sup>—to evaluate whether the transactions were made in accordance with contracted rates or unit prices.

Based on our review, we did not identify any concerns related to the City of Tucson's contracting or procurement practices and found that the expenditures we reviewed were supported and allowable.

## Equipment

For the computer equipment expenditures in our sample, we reviewed an inventory sheet from the City of Tucson's Information Technology department, which showed the relevant tags and serial numbers, purchase date, assigned owner, and last sign-in date. After receiving the inventory sheet, we followed up with the Tucson PD Grant Manager to determine how inventory is shared and transferred among various city departments. The Tucson PD Grant Manager explained that computers no longer in use are returned to a shared inventory storage, where they can be reassigned to other employees. Based on this information, we did not identify any issues related to these costs.

## Drawdowns

According to the DOJ Grants Financial Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. According to the Tucson PD's fiscal management policy, the grant manager, along with the City of Tucson's Finance Section, is responsible for managing disbursements. According to the Tucson PD Grant Manager, drawdowns are based on the quarterly Federal Financial Reports, the preparation and filing of which are outlined in policy. The grant manager creates a cover sheet, including the amount to be drawn, and the city's Business Services Division requests payment of funds. The City of Tucson had drawn down \$949,721 as of June 2024. To assess whether the City of Tucson managed grant receipts in accordance with

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<sup>3</sup> For furniture, the City of Tucson used an existing cooperative purchasing contract with the State of Arizona Procurement Office, meaning the State of Arizona was responsible for procuring the contract.

<sup>4</sup> This legal counsel invoice is part of a larger transaction of multiple invoices from various legal counsels.

### OFFICE CHAIRS

The City of Tucson used grant funds for the purchase, delivery, and installation of 546 office chairs. According to the City of Tucson, these were coronavirus-compliant, wipeable chairs.



Tucson PD office chair purchased with grant funds

Source: OIG, May 2024

federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records.

We did not identify deficiencies related to the recipient's process for developing drawdown requests and found that drawdowns were fully supported by grant accounting records.

## **Conclusion**

As a result of our audit testing, we concluded that the City of Tucson demonstrated adequate achievement of the program goal and objectives. We did not identify significant issues regarding the City of Tucson's process for developing drawdown requests, its contractual costs, or its other direct costs. However, we found that the City of Tucson received \$7,114 in unallowable costs related to personnel and fringe expenditures charged to the grant twice. We discussed this issue with City of Tucson officials in May 2024. By June 2024, the City of Tucson had coordinated with OJP to remedy the unallowable costs. As a result, we do not offer a recommendation in this report.

# 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 select award requirements; and to determine whether the City of Tucson demonstrated adequate achievement of the program goal and objectives. To accomplish these objectives, we assessed program performance, grant financial management, expenditures, and drawdowns.

## 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 grant number 2020-VD-BX-1657 awarded to the City of Tucson under the Coronavirus Emergency Supplemental Funding program; this award totaled \$949,721. Our audit concentrated on the period of January 20, 2020, through December 31, 2023. As of June 2024, the City of Tucson had drawn down \$949,721 of the total grant funds awarded and was in the process of closing the grant.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of the City of Tucson's activities related to the audited grant. We performed sample-based audit testing for grant expenditures and program performance, including an evaluation of personnel and fringe benefits, supplies, equipment, contracts, and construction charges. 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 Department of Justice (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.

During our audit, we obtained information from DOJ's JustGrants system as well as the City of Tucson's accounting systems specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems were verified with documentation from other sources.

## Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of the City of Tucson to provide assurance on its internal control structure as a whole. The City of Tucson's management is responsible for the establishment and maintenance of internal controls in accordance with the Uniform Guidance. Because we do not express an

opinion on the City of Tucson's internal control structure as a whole, we offer this statement solely for the information and use of the City of Tucson and OJP.<sup>5</sup>

We interviewed City of Tucson staff, reviewed written policies and procedures, and evaluated supporting documentation. We did not identify any internal control deficiencies requiring corrective action. 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.

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<sup>5</sup> 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

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Washington, D.C. 20531

August 8, 2024

MEMORANDUM TO: Kimberly L. Rice  
Regional Audit Manager  
Denver 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 City of Tucson, Tucson, Arizona*

This memorandum is in response to your correspondence, dated July 29, 2024, transmitting the subject draft audit report for the City of Tucson. 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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