



U.S. Department of Justice
Office of Justice Programs
Office of Audit, Assessment, and Management

Office of Justice Programs FY 2010 Grant Management and Oversight Improvements

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About This Report

The Office of Justice Programs, Office of Audit, Assessment, and Management (OAAM), Program Assessment Division prepared this report. For questions about this report, please contact Ms. Maureen Henneberg, Director of OAAM, at (202) 514-9178.

Acronyms

OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
COPS	Office of Community Oriented Policing Services
DOJ	Department of Justice
GAT	Grant Assessment Tool
GMM	Grant Manager's Manual
GMS	Grants Management System
OAAM	Office of Audit, Assessment, and Management
OIG	Office of Inspector General
OJP	Office of Justice Programs
OVW	Office on Violence Against Women



Office of Justice Programs FY 2010 Grant Management and Oversight Improvements

The Office of Justice Programs (OJP) is committed to administering a grant awards process in a fair, accessible, and transparent fashion - and, as a good steward of federal funds, manage the grants system in a manner that avoids waste, fraud, and abuse. The Office of Audit, Assessment, and Management (OAAM) supports OJP's efforts by streamlining grants management policies and procedures across the agency; leading the development of grant policy; maintaining and enhancing OJP's Grants Management System (GMS); and continuously improving its oversight and monitoring of grantees and grant programs.

Improvements in Grant Management Activities

In an effort to achieve continuous improvement of grant management activities, OJP completed the following activities in FY 2010:

- developed grants management policy and procedures for fair and open competition, including conflict of interest and lobbying disclosure issues; peer review protocols; and proper documentation of recommendations and award decisions;
- implemented numerous GMS updates and began efforts for improving the grants management process and GMS functionality;
- provided grantees and grant management staff with customized training to ensure that they are managing their grants effectively and expanded opportunities for e-training;
- carried out the Recovery Act Data Quality Review Process for Recipient Reporting which included activities designed to identify and correct significant errors and material omissions; and
- participated in bi-weekly meetings with the Department of Justice (DOJ) grant-making components led by the Deputy Associate Attorney General to share information and develop consistent practices and procedures in a wide variety of grant administration and management areas.

In FY 2010, OAAM continued to support OJP's grant management activities by serving as a central source for the development of grants policies and



procedures and maintenance of GMS. OAAM has employed a comprehensive approach to address grants management issues identified by audits and reviews. At every possible opportunity, OJP-wide corrective actions have been implemented to respond to the Office of Inspector General (OIG) grant-related and program-specific audit recommendations.

New and Revised Policies and Procedures

OJP revised its competitive solicitation language to clearly describe what material applicants are required to submit and to notify the applicant of the implications if they fail to submit critical specified elements (i.e., the application will not proceed to peer review or receive further consideration). OJP bureau and program offices have adopted internal standard procedures to ensure applications are consistently reviewed for basic minimum requirements (BMR) and sent forward to the peer review process.

Grants Management System Improvements

OJP implemented numerous GMS updates, including the use of the new OMB form for financial reporting, *Federal Financial Report* (SF-425); provisions for solicitation attachments (e.g., non-disclosure forms, conflict of interest forms, decisional memos) for purposes of greater transparency at the peer review level; and system configuration changes to implement the Coordinated Tribal Assistance Solicitation (CTAS), the Department's initiative for a streamlined tribal grant process. OAAM worked closely with the Office of the Chief Information Officer (OCIO) to upgrade the hardware infrastructure. This "NextGen" effort went smoothly and GMS users have benefited from increased performance and capacity of the system.

In March 2010, OAAM began a business process improvement (BPI) effort, which will enhance grant processes and identify technological improvements in GMS to better serve its users. These activities involved gathering information from a user survey provided to staff of OJP, the Office on Violence Against Women (OVW), and the Office of Community Oriented Policing Services (COPS). Using this data, OAAM identified eight grants management areas for new BPI activities and conducted preliminary gap analyses. The first two working groups, comprised of representatives of all OJP program and support offices, were established to address the award package process and to develop an internal dashboard to provide real time data on current grant portfolios. The dashboard prototype has been developed and is under review and testing by OJP program offices. In FY 2011, OAAM will continue with the renovation efforts including peer review and award processing.

Training

OAAM and OCFO provided training to grant management staff and grantees. In FY 2010, nearly 300 OJP grant managers attended training covering all functional aspects of GMS, as well as grants processes, policies, and guidelines. OAAM and OCFO also provided grantees with customized, intensive training



to ensure that they are managing their grants effectively. OJP continued to provide on-line opportunities for grantee training to include a GMS On-line Training Tool, Post-award and Grant Administration, Recovery Act Recipient Reporting and Grants 101. The Bureau of Justice Assistance (BJA) also sponsored the Grant Writing and Management Academy which is a web based tool for both those that apply for and/or receive federal grants. In FY 2010, OAAM conducted training at 33 OJP program office conferences. OCFO conducted monthly Regional Financial Management Training Seminars which focus on the application process, procurement, methods of payment, matching requirements, financial reporting, indirect costs, confidential funds, program income, and up-to-date information on grant-related financial regulations and Office of Management and Budget circulars.

OJP bureaus and program offices began partnering with the OIG Fraud Detection Office and OAAM to provide office-specific grant fraud training to staff. In addition, OJP worked with OIG staff to coordinate grant fraud training at OJP-sponsored conferences and meetings. Additionally, a grant fraud component was included in the OCFO Regional Financial Management training seminars.

Recovery Act Data Quality Review Process

OJP conducted its Recovery Act Data Quality Review Process for Recipient Reporting, which included the following phases of activities designed to identify and correct significant errors and material omissions:

- automated and manual review of reports during the Federal agency review period;
- manual review of a sample of submitted reports to ensure information is accurate and consistent with other project-related data;
- continuous quality assurance review to ensure recipients make identified changes; and
- analysis of risk indicators to identify potential risks and/or recipient training and technical assistance needs to be addressed by the bureau and program offices.

OAAM, OCFO, and the bureau and program offices conducted extensive outreach and communication to grantees to ensure compliance with reporting requirements and resolution of data quality issues. In March 2010, OJP in cooperation with OVW and the COPS Office hosted a webinar to provide grantees with the most up-to-date guidance on Recovery Act recipient reporting. In addition, OJP developed a Frequently Asked Questions (FAQ)



section on its website, which is updated each reporting quarter as new questions or information arise.

Bi-weekly Meetings with DOJ Grant-making Components

In January 2010, OJP began participating in bi-weekly meetings with the DOJ grant-making components led by the Deputy Associate Attorney General to address the issues raised by the OIG in the *Top Management and Performance Challenges in the Department* report and to develop consistent practices and procedures in a wide variety of grant management areas. In FY 2010, the working group was successful in the development and implementation of procedures for managing a DOJ-wide high risk grantee designation program. The group also began to look at developing DOJ wide procedures for addressing and closing out open OIG and single grant audit recommendations.

Improvements in Grant Oversight

OJP is dedicated to continuously improving its oversight and monitoring of grantees and grant programs. OJP has established common procedures and guidance to improve the quality and completeness of monitoring across OJP, as well as provided effective tools to its grants managers to properly document desk reviews and on-site monitoring, formally communicate with grantees through the system, and track the resolution of open issues. OJP also worked closely with the OIG to address grantee issues identified in single and grant audits. OJP has streamlined its audit follow-up activities, eliminating existing backlogs and allowing for more timely resolution of outstanding audit recommendations. Additionally, OAAM conducted program assessments of OJP and COPS Office grants and grant programs to measure performance against intended outcomes and to assess compliance with applicable regulations and statutes.

In an effort to continuously improve monitoring standards and procedures and to respond to issues identified throughout the year, OJP completed the following during FY 2010:

- OAAM, OCFO, OJP bureaus and program offices, the COPS Office, and OVW worked as part of a Monitoring Working Group to develop a DOJ-coordinated monitoring plan to allow for maximum joint program office and OFCO monitoring;
- OAAM, in coordination with the Monitoring Working Group, continued to improve the quality and completeness of grant monitoring through the enhancement the Grant Assessment Tool (GAT) as well as began revising the OJP Site Visit Checklist; and



- OAAM made progress on revising its site visit report quality review process in order to determine areas for improvement in site visit documentation and report quality.

These activities were intended to improve compliance with the policies and procedures outlined in the Grant Manager's Manual (GMM), strengthen grantee oversight, and ensure that grantees are receiving consistent and quality feedback and assistance from grant managers.

Coordination of DOJ Monitoring Plan

OAAM worked closely with OJP bureaus and program offices, the COPS Office, OVW, and the OCFO to better coordinate monitoring plans to ensure that an optimum number of joint site visits were conducted. OAAM recommended that OJP's annual programmatic monitoring plans be completed two months earlier than in previous years to coincide with the development of the financial monitoring plan and provide more time for the coordination of site visits prior to the start of the new fiscal year. Completing the monitoring plan earlier in the fiscal year also allowed for grant managers to conduct site visits during the first quarter of the fiscal year.

Quality and Completeness of Grant Monitoring

To continue to improve the quality and completeness of grant monitoring across OJP, OAAM analyzed the results of previous years' grant assessments and monitoring plans to identify areas of improvement for documentation and accountability. Based on findings from the analysis and issues identified by the Monitoring Working Group, OAAM implemented improvements, including:

- modifications to the GAT risk indicators which are used to assist program offices in systematically assessing risk associated with grants and grantees as well as made justifications mandatory for all response selections by the grant manager;
- the revision of the Site Visit Checklist to include language that requires the grant manager to upload the checklist into GMS as a source of documentation to support what they found while on-site;
- work with the Monitoring Working Group to revise the OJP Site Visit Checklist for FY 2011 to allow for grant managers to accurately record the documentation that was reviewed on-site to support their findings;
- the development of quick reference materials and guidelines, which were posted to the portal; and
- the development of targeted training to grant monitors and program office staff on effective monitoring.



Enhanced Monitoring Thresholds

To further improve grant monitoring the following OJP policies relating to monitoring were implemented in FY 2010:

- the OJP bureaus and program offices were required to conduct on-site monitoring for at least 10 percent of the total number of active grants;¹
- the OJP bureaus and program offices administering Recovery Act grants were required to monitor 30 percent of the funds awarded over the lifetime of the Recovery Act program, and 10 percent of the number of grants for each solicitation;² and
- OJP grant managers were required to use the “Recovery Act Desk Review and Site Visit Checklist” addendum to address additional monitoring requirements for grants awarded under the American Recovery and Reinvestment Act of 2009.

In FY 2010, OAAM began tracking program office compliance with new OJP monitoring policies that serve to ensure that an adequate number of grants are being monitored each fiscal year and that grant funds awarded under the Recovery Act are being expended and monitored in accordance with the requirements of the Act. OJP enhanced existing monitoring thresholds to include an additional requirement of 10 percent of the total number of active grants to be monitored. This threshold is in addition to OJP’s statutory requirement to programmatically monitor at least 10 percent of its open, active award dollars. The purpose of the additional threshold was to ensure that program offices are conducting monitoring site visits for an adequate number of grants. Although the aim of the 10 percent statutory requirement was to ensure that adequate on-site monitoring of OJP grant awards was being conducted, this requirement could be met by monitoring a small number of grantees with high dollar value awards. The new threshold levels will ensure that OJP is working towards improving grantee administrative, financial, and programmatic compliance and performance.

In addition to the enhancement of the overall monitoring policy, OJP implemented new monitoring requirements for grants awarded under the Recovery Act. With the enactment of the Recovery Act, OJP has additional responsibility to ensure transparency and accountability of the use of Recovery

¹Due to the large number of open, active BJA awards, OJP will require BJA to monitor 5 percent of the number of open, active awards at the start of each fiscal year.

²Due to the large number of open, active BJA Local Byrne Justice Assistance (Local Byrne/JAG) awards, OJP will require BJA to monitor 5 percent of the number of open, active Local Byrne/JAG awards as of October 1, 2009.



Act funds through sufficient monitoring. Beginning in FY 2010, OJP bureaus and program offices administering Recovery Act grants were required to monitor 30 percent of the funds awarded over the lifetime of the Recovery Act program, and 10 percent of the number of grants for each solicitation or one grant per solicitation, whichever is greater, each year. Grant managers were also required to complete and upload to GMS the “Recovery Act Desk Review and Site Visit Checklist” addendum. The Recovery Act addendum outlines the new requirements of the Recovery Act and associated guidance from the Office of Management and Budget.

Single and Grant Audit follow-up

OJP worked closely with the OIG to address grantee issues identified in Single and grant audits. OJP streamlined its audit follow-up activities, eliminating existing backlogs and allowing for more timely resolution of outstanding audit recommendations. In FY 2010, OJP closed 151 of the 288 open single and OIG grant audit reports. This represented the resolution of nearly 500 findings. Of the \$15.9 million in questioned costs identified by the OIG, grantees submitted supportable documentation for \$11.1 million and returned \$3.3 million to DOJ for unallowable or unsupported costs. The remaining \$1.5 million were duplicate costs addressed by DOJ grant recipients in other audit reports, or through litigation.

Assessment of OJP and the COPS Office Grant Programs

OAAM conducted the following program assessments designed to examine and report on the compliance and performance of OJP grant recipients and grant program management:

- Efforts of the SMART Office to assist jurisdictions in complying with the requirements of the Sex Offender Registration and Notification Act (SORNA). The report identified major obstacles facing jurisdictions in meeting the SORNA implementation requirements and provided recommendations to the SMART Office to address these challenges;
- BJA’s Recovery Act Rural Law Enforcement Grant Program and the Combating Criminal Narcotics Activity Stemming from the Southern Border of the U.S. Program to determine whether BJA’s award process provided for fair and open competition for applicants;
- The COPS Office Methamphetamine Initiative Program, which analyzed program performance measures and performance data in order to identify best practices and areas for program improvement;
- OJP’s training and technical assistance activities, which describes the scope and types of training and technical assistance OJP supported in FY 2009; and



- OJP's Human Trafficking grant programs, which was a follow-up to an OIG audit to determine the extent to which OIG recommendations were implemented and sustained.

FY 2011 Plans

Throughout FY 2010, OJP identified opportunities to further improve grant management and monitoring activities. In FY 2011, OJP will:

Grant Management Policies and Procedures

- Support the development of appropriate procedures across OJP for ensuring that applications are consistently treated when determining whether they meet basic minimum requirements (BMR) and should proceed to peer review.
- Revise the current notification procedures and requirements relating to the application denial notification process, including the content of the applicant denial letters.
- Ensure that the OJP peer review contractor institutes a rigorous quality control process for performing BMR and peer review tasks.
- Continue with the grants management BPI effort to include peer review and award processing (financial review and award notification/acceptance).
- Redesign the OJP Financial Guide and the GMM to be more readable and user friendly through the use of graphics and other style changes.

Training

- Initiate a needs assessment on training for both grantees and OJP grant managers, which will be used to create a formal curriculum and develop and/or redesign training sessions and tools.
- Continue to provide training on new grant management issues as they arise, such as the new subaward reporting requirements under the Federal Funding Accountability and Transparency Act (FFATA).
- Support the enhancement of OCFO's financial management training which will include developing on-line financial management training for grantees. The training will also include a component on grant fraud detection, prevention, and responsibilities for reporting potential fraud. The fraud section of the training will be jointly developed with the OIG and the other DOJ grant-making components.



Grant Oversight

- Continue to ensure that audit review staff review grantee supporting documentation in a timely manner, contact grantees to resolve issues or provide assistance in developing appropriate corrective actions, and work to keep program office staff apprised of ongoing matters.
- Initiate program assessments on OJP Payment Systems and OVC's State Victims Assistance Academies and follow-up assessments of BJA's Recovery Act Rural Law Enforcement Grant Program and OJP's training and technical assistance activities.
- Finalize a revised Site Visit Checklist that provides a better framework for documenting activities and information reviewed by grant managers while on-site. The new framework will provide enough information about the site visit to allow OAAM to conduct a review of the quality and completeness of site visit reports.
- Assess the use and validity of the High Risk and high monitoring priority designations in determining whether a site visit should be conducted for a particular grant.
- Assess how grant managers define, document, and track issues for resolution identified during desk reviews and site visits.
- Conduct training as requested by program offices on specific aspects of monitoring activities (such as the workflow for documenting, tracking, and closing issues for resolution).
- Continue to provide program offices with quarterly updates on monitoring progress, as well as information, as requested, on assessments and desk reviews completed in the GAT.