
January 2014

Performance Audit
Recommendations and Corrective
Actions for Audit: 06-1

Department of Public Safety
Grants Management: Review of
Awards to Three Sub-Grantees

Dated: 02/22/2006

Overview

The SAO makes recommendations designed to improve the operations of state government. For our work to produce benefits, auditees or the General Assembly must implement these recommendations although we cannot require them to do so. Nevertheless, a measure of the quality and persuasiveness of our performance audits is the extent to which these recommendations are accepted and acted upon. The greater the number of recommendations that are implemented, the more benefit will be derived from our audit work.

In 2010, the SAO began to follow-up on the recommendations issued in our performance audits. Experience has shown that it takes time for some recommendations to be implemented. For this reason, we perform our follow-up activities two and four years after the calendar year in which the audit report is issued (e.g., we followed up on recommendations contained in audit reports issued in calendar year 2008 in 2010 and 2012). Our annual performance reports summarize whether we are meeting our recommendation implementation targets.

Act 155 (2012) required that we post on our website “a summary of significant recommendations arising out of the...audit reports... and the dates on which corrective actions were taken related to these recommendations. Recommendation follow-up shall be conducted at least biennially and for at least four years from the date of the audit report.”

This report addresses the requirements of Act 155 to post the results of our recommendation follow-up work on our website. The report does not include follow-up on recommendations issued as part of the state’s financial statement audit and the federally mandated Single Audit, which are performed by a contractor. However, our new contract for this work requires the contractor to provide the results of its recommendation follow-up in the future. Accordingly, we expect that future reports will contain this data.

Audit No., Name & Date	Rec #	Recommendation	Follow-Up Date	Status & Date	Review Comments
06-1 Department of Public Safety Grants Management: Review of Awards to Three Sub- Grantees 02/22/2006	1	The Department of Public Safety (DPS) should expeditiously seek the following reimbursements from the three local governments: Village of Johnson \$7,508; Town of Norwich \$19,650; and the Rutland County Clerks Collaborative (RCCC) \$3,818.	12/31/2010	Partially Implemented 12/31/2010	In the case of the Village of Johnson, DPS provided an assessment demonstrating the allow ability of the Village's grant usage. Regarding the Town of Norwich, the Town attempted to use a generator appraised at \$17,500 to qualify for its portion of grant match. The town stated it was donated during the grant year, but it was actually donated 5 yrs. earlier by DOD. SAO believes the improper match invalidates the entire grant and all \$19,650 in payments made to town should be reimbursed to DPS. DPS elected not to void the grant but allowed \$16,131 of additional expenses to qualify for match. The unmatched portion of \$3,519 was repaid to DPS. Lastly, the RCCC reimbursed DPS for identified unallowable purchases.
	2	The Department of Public Safety (DPS) should evaluate its policies, procedures and controls over the monitoring of sub-recipients. Particular focus should be placed on the federal, state and DPS rules concerning the appropriate use of matching contributions. The guidance contained in state-wide Bulletin 5, Single Audit Policy for Sub grants, as well as DPS-specific policies and procedures, should be fully understood by DPS personnel involved in all phases of the grants management process from pre-award through closeout. Procedures should be in place to ensure that strict adherence to these policies is maintained.	12/31/2010	Implemented 11/3/2010	DPS revisited its policies and procedures over sub-recipient monitoring and several publications were updated. For example, the Sub recipient Site Monitoring Guide and Administrative Procedures Compliance Review manual was updated on 4/6/06. This manual appears fairly comprehensive and considers some of the key aspects of monitoring of sub grants including establishing a monitoring plan for sub recipients, assigning pass-through entities and recording grant awards in VISION. This manual contains a separate section on rules associated with the appropriate use of matching contributions. DPS has also established a risk management committee that meets quarterly to evaluate the departments controls. In addition, a memo was sent from the grant manager of the DPS Homeland Security Unit (HSU) dated 11/3/10 to the accounting department to update them on the HSU grant management processes. Also, Programmatic Monitoring Guidelines and Grants Management Policies and Procedure were established.
	3	The Department of Public Safety (DPS) should establish an audit tracking mechanism.	12/31/2010	Implemented 8/31/2007	DPS issued monitoring bulletin 01 on 8/31/07, which mandates that program managers perform risk assessment for each applicant requesting funding under bulletin 5 & 5.5 prior to making any awards. DPS also maintains a High Risk List which contains a list of high risk entities which are ineligible for future funding until they have satisfactorily resolved any outstanding issues. Entities with audit findings are included on this list which indicates the outstanding issues and resolution status. This list is circulated to DPS management and grant personnel monthly to use as a monitoring and follow up tool.