Audit of the Office of Justice Programs Internet Crimes Against Children Task Force Cooperative Agreements Awarded to the Sedgwick County Sheriff's Department, Wichita, Kansas

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AUDIT DIVISION

21-009

DECEMBER 2020

Executive Summary

Audit of the Office of Justice Programs Internet Crimes Against Children Task Force Cooperative Agreements Awarded to the Sedgwick County Sheriff's Department, Wichita, Kansas

Objectives

The Office of Justice Programs (OJP), awarded the Sedgwick County Sheriff's Department (SCSD) two Cooperative Agreements totaling $1.26 million dollars for the Kansas Internet Crimes Against Children (ICAC) Task Force. The objectives of this audit were to determine whether costs claimed under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether the awardee demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded there were no indications that the SCSD did not adequately achieve the stated goals and objectives for the awards. We also found the SCSD adequately based its award drawdowns on accounting records and adequately managed its budget transfers. However, we found the SCSD did not comply with essential awards' requirements related to progress reports, special conditions, and federal financial reports. We also found the SCSD charged unallowable expenditures totaling $7,105 to the awards.

Recommendations

Our report contains nine recommendations to OJP. We requested a response to our draft audit report from the SCSD and OJP, which can be found in Appendices 3 and 4 respectively. Our analysis of those responses is included in Appendix 5.

Audit Results

The purposes of the two OJP program awards we reviewed were to: (1) maintain the competencies and capabilities of the Kansas ICAC unit, (2) enhance communication and increase training provided to current and potential affiliate agencies; and (3) enlist new task force affiliates. The project period for the awards was from July 2016 through September 2020. The SCSD drew down a cumulative amount of $951,870 for all the awards we reviewed.

Program Goals and Accomplishments – Based on our review, there were no indications that the SCSD was not adequately achieving the stated goals and objectives of the awards. However, we found the quantifiable accomplishments reported in the progress reports we tested were inaccurate.

Special Conditions – We found that the SCSD was not in compliance with one award special condition for following OJJDP approved ICAC Task Force Operational and Investigative Standards. While the Kansas ICAC Task Force follows the ICAC Task Force Operational and Investigative Standards, it is not ensuring that task force investigators and affiliate agencies were also following these standards.

Financial Management – Through our testing of SCSD award expenditures, we identified $7,105 in unallowable expenditures. Specifically, we identified $2,313 in unallowable payroll costs related to overtime expenses that were not included in the approved budget. We also identified $832 in unallowable direct costs, including Flexible Spending Account contributions, membership fees, shredder repair, and printed cell phone records. Further, we found $3,960 in unallowable indirect costs, and we determined that the SCSD did not report indirect expenses on its federal financial reports as required.

AUDIT OF THE OFFICE OF JUSTICE PROGRAMS INTERNET CRIMES AGAINST CHILDREN TASK FORCE COOPERATIVE AGREEMENTS AWARDED TO THE SEDGWICK COUNTY SHERIFF'S DEPARTMENT WICHITA, KANSAS

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INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of two cooperative agreements awarded by the Office of Justice Programs (OJP), under the Internet Crimes Against Children (ICAC) task force program to the Sedgwick County Sheriff's Department (SCSD) in Wichita, Kansas. The SCSD received two awards totaling $1,263,237 as shown in Table 1.

Table 1

Cooperative Agreements Awarded to the Sedgwick County Sheriff's Department

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2016-MC-FX-K005					
Supplement 00	OJJDP	08/26/2016	07/01/2016	09/30/2017	$288,954
Supplement 01	OJJDP	09/27/2017	07/01/2016	09/30/2018	$285,181
Supplement 02	OJJDP	09/26/2018	07/01/2016	09/30/2019	$294,577
2019-MC-FX-K054					
Supplement 00	OJJDP	09/20/2019	09/20/2019	09/30/2020	$394,525
				Total:	**$1,263,237**

Source: Office of Justice Programs, Grant Management System

Funding through the ICAC task force program helps state and local law enforcement agencies develop an effective response to technology-facilitated child sexual exploitation and internet crimes against children. This help encompasses forensic and investigative components, training and technical assistance, victim services, and community education. The program was developed in response to the increasing number of children and teenagers using the internet, the proliferation of child sexual abuse images available electronically, and heightened online activity by predators seeking unsupervised contact with potential underage victims.

The ICAC program is a national network of 61 coordinated task forces representing over 4,500 federal, state, and local law enforcement, and prosecutorial agencies. These agencies are engaged in both proactive and reactive investigations, forensic investigations, and criminal prosecutions.

The Awardee

The Sedgwick County Sheriff's Department (SCSD) is the administrator of the Kansas Internet Crimes Against Children (ICAC) Task Force.[1] The SCSD uses ICAC continuation program proceeds to fund one Sheriff Detective and one Wichita Police Detective dedicated to ICAC investigative duties. The SCSD and the Wichita Police Department supplement ICAC staffing with a Sergeant dedicated to ICAC supervision, four detectives for ICAC investigations, and four forensic detectives who support ICAC investigators.[2] The Kansas ICAC also works directly with the Wichita-Sedgwick County Exploited and Missing Children Unit. Together, these units investigate all exploitation, missing, human trafficking, physical and sexual abuse cases involving child victims.

The Kansas ICAC and 36 task force affiliate agencies serve 511,574 residents of Sedgwick County and 2.9 million residents of Kansas. Kansas has 8,093 registered sex offenders with 15 percent of those residing in Sedgwick County. The Kansas ICAC affiliate agencies include city, county, and tribal law enforcement. In addition, the Kansas ICAC is also partnered with state and federal prosecutors and enforcement agencies.

OIG Audit Approach

The objectives of this audit were to determine whether costs claimed under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether the SCSD demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of award management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

We tested compliance with what we consider to be the most important conditions of the awards. The 2015 and 2017 DOJ Grants Financial Guides, 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. The Schedule of Dollar-Related Findings appears in Appendix 2.

[1] The financial management for awards made to the Sedgwick County Sheriff's Department is administered by the Sedgwick County Division of Finance.

[2] The Sergeant is an employee of the Wichita Police Department and is the ICAC Task Force Commander. The ICAC Task Force Commander oversees the investigations and monitors the performance and the outcomes of the awards. For the purposes of this report, SCSD officials include the ICAC Task Force Commander and the Sedgwick County Division of Finance.

AUDIT RESULTS

Program Performance and Accomplishments

We reviewed required performance reports and award documentation, interviewed recipient officials, and surveyed affiliate agencies and ICAC Task Force Officers (TFOs) to determine whether the SCSD achieved the program goals and objectives for Award Number 2016-MC-FX-K005, and was on track to achieve the program goals and objectives of Award Number 2019-MC-FX-K054 scheduled to end September 30, 2020. We also reviewed two progress reports submitted by the SCSD, to determine if the required reports were accurate. Finally, we reviewed the SCSD's compliance with the special conditions identified in the award documentation.

Program Goals and Objectives

According to the award documents for Award Numbers 2016-MC-FX-K005 and 2019-MC-FX-K054, the three goals of the program are to:

1. Maintain the competencies and capabilities of the Kansas ICAC unit;
2. Enhance communication and increase training provided to current and potential affiliate agencies; and
3. Enlist new task force affiliates.

According to SCSD officials, achievement of the award goals and objectives are discussed in the narrative section of the progress reports. As a result, in addition to analyzing quantifiable accomplishments reported in the progress reports, we also composed two questionnaires, one for the ICAC Commander and one for the ICAC TFOs and affiliate agencies, who provide the quantifiable accomplishments reported in the progress reports. Based on the responses received, we found the Kansas ICAC task force maintains its competencies and capabilities through training. The ICAC Commander provided the 2019 ICAC Task Force Program course offerings which include, Advanced Undercover Chat Investigations, Core Skills for the Investigation of Mobile Devices, Intermediate Digital Forensics Analysis – Automated Forensic Tool, and Introduction to Computer Crime. Additionally, according to the survey respondents, communication within

the Kansas ICAC task force has been enhanced with the use of the ICAC data system, which allows cybertips to be assigned immediately to investigators throughout the state. Finally, the ICAC Commander provided a list of the 36 affiliate agencies enlisted under the Kansas ICAC task force. Based on the responses provided to our questionnaires, there were no indications that the SCSD did not, or is not on track to adequately achieve the stated goals and objectives for the awards.

Required Performance Reports

According to the 2015 and 2017 DOJ Grants Financial Guides, the funding recipient should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. To verify performance measures for Award Number 2016-MC-FX-K005, we judgmentally selected a sample of 18 quantifiable performance measures from the ending project report. We also selected 11 quantifiable performance measures from the July-December 2019 progress report, for a total sample size of 29.[3] We then traced the items to supporting documentation maintained by the SCSD.

As a result of our review, we found the July-December 2019 progress report was generally accurate. Although we noted minor reporting discrepancies in the number of prosecutors trained and the number of affiliate agencies added, we also found the number of pieces of forensically processed electronic media was reported as 33 when it should have been reported as 333. According to a SCSD official this was a simple typo in the progress report. By contrast, as shown in Table 2, we found none of the 18 quantifiable performance measures reported in the ending project report were accurate. According to a SCSD official, the report used to complete the ending project report covered January 2016 through December 2019, when it should have covered July 2016 through December 2019, the award period.

[3] Our analysis of performance reports was focused on activities reported in the July-December 2019 progress report, and the ending project report, which covers all 3 years of Award Number 2016-MC-FX-K005. At the time of our audit, no progress reports had been submitted for Award Number 2019-MC-FX-K054 covering January-June 2020.

Table 2

Verification of Quantifiable Program Accomplishments

Quantifiable Accomplishments	Number per the Ending Project Report	Number per Supporting Documentation	Difference
Ending Project Report for Award Number 2016-MC-FX-K005			
Number of Submitted CVIP cases	129	103	26
Number of Children ID from CVIP submissions	145	140	5
Total number of Cybertips received	3,467	3,076	391
Number of victims identified	127	306	(179)
Number of felony arrests	240	163	77
Number of prosecutors trained	63	57	6
Number of cases referred to local, state, and federal agencies for prosecution	397	318	79
Pieces of forensically processed electronic media	4,148	3,424	724
GB of data forensically processed	335,236	283,719	51,517
Number of technical assists provided to outside agencies	139	108	31
Number of training sessions conducted with Law Enforcement	69	57	12
Number of local, state and federal officers trained at these sessions	1,687	1,718	(31)
Number of community presentations	268	237	31
Number of persons contacted	12,731	11,836	895
Number of at-risk children engaged	250	0	250
Number of public awareness events	142	17	125
Number of citizens contacted at public awareness events	3,000	2,979	21
Number of affiliated agencies added	21	17	4

Source: Office of Justice Programs, Grant Management System and SCSD records

In addition to the inaccuracies found with the ending project report, through our discussions with SCSD officials regarding support and the accuracy of the progress reports, we learned not all the affiliate agencies report monthly statistics to the SCSD. SCSD officials agreed that the quantifiable accomplishments reported could be under reported as a result. In our judgement, accurate statistics are a vital tool for awarding agencies to better manage its programs and it would be a best practice for the SCSD to ensure they are reporting data from all applicable affiliate agencies. As a result, we recommend that OJP ensures that the SCSD: (1) re-submits the ending project report for award number 2016-MC-FX-K005, reflecting the accomplishments from the applicable 3-year period, (2) establishes policies and procedures for compiling complete and accurate quantifiable statistics to report in progress reports, and (3) establishes policies and procedures to ensure all applicable affiliate agencies submitted quantifiable accomplishments to the SCSD.

Compliance with Special Conditions

Special conditions are the terms and conditions that are included with the awards. We evaluated the special conditions for each award and selected a judgmental sample of the requirements that are significant to performance under the awards and are not addressed in another section of this report. We evaluated the SCSD compliance with four special conditions for Award Number 2016-MC-FX-K005 and two special conditions for Award Number 2019-MC-FX-K054.

We identified one instance where the SCSD was not in compliance with the special conditions. Specifically, we found the SCSD was not in compliance with Special Condition number 37 from Award Number 2016-MC-FX-K005, which requires recipients to comply with the OJJDP approved ICAC Task Force Operational Investigative Standards (ICAC Standards). According to a SCSD official, the task force operates under the ICAC Standards. In addition, the SCSD official stated each investigator is provided a copy of the ICAC Standards and is required to complete the ICAC Standards online course, but the SCSD official is not notified when the training is completed. Five of the 10 investigators we surveyed stated that they complied with the ICAC Standards, while the other five respondents said they did not know or did not answer the question.

While the Kansas ICAC follows the ICAC Standards as a best practice, since 5 of the 10 investigators we surveyed either did not know about them, or did not answer a question regarding how the task force complies with them, we recommend OJP ensure the SCSD verify all task force investigators and affiliate agencies are aware of the OJJDP approved ICAC Task Force Operational Investigative standards and are complying with those standards.

Award Financial Management

According to the 2015 and 2017 DOJ Grants Financial Guides, all award 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 SCSD's financial management of the awards covered by this audit, we conducted interviews with financial staff, examined policy and procedures, and inspected award documents to determine whether the SCSD adequately safeguards the award funds we audited. We also reviewed the SCSD's Single Audit Reports for fiscal years 2018 and 2019 to identify internal control weaknesses and significant non-compliance issues related to federal awards.[4]

[4] 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 2 C.F.R. part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (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.

Finally, we performed testing in the areas that were relevant for the management of this award, as discussed throughout this report.

Based on our analysis, we identified weaknesses in the SCSD financial management that resulted in unallowable questioned costs totaling $7,105. Specifically, we found the SCSD: (1) charged unallowable costs to the awards; (2) overcharged indirect costs to Award Number 2016-MC-FX-K005; and (3) did not accurately complete federal financial reports. These deficiencies are discussed in more detail in the Personnel Costs, Direct Costs, Indirect Costs, and federal financial reports sections of this report.

Award Expenditures

For Award Numbers 2016-MC-FX-K005 and 2019-MC-FX-K054, the SCSD's approved budgets included Personnel, Fringe Benefits, Travel, Supplies, Contractual, and Indirect Costs. To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions. The general ledger contained a total of 1,239 transactions. We judgmentally selected 25 transactions from Supplement 00, Supplement 01, and Supplement 02 made under Award Number 2016-MC-FX-K005, and 25 transactions from Supplement 00 made under Award Number 2019-MC-FX-K054, for a total of 100 transactions totaling $248,347. We reviewed documentation, accounting records, and performed verification testing related to award expenditures. Based on this testing, we recommend that OJP remedy $7,106 in questioned costs. The following sections describe the results of that testing.

Personnel Costs

The budgets for Award Numbers 2016-MC-FX-K005 and 2019-MC-FX-K054 included personnel costs, including labor and fringe, for one full-time detective. We reviewed the labor and fringe costs associated with six pay periods to ensure the costs were computed correctly, properly authorized, accurately recorded, and properly allocated to the award. We also reconciled the hours charged to timesheets. We found that the budgets for Award Number 2016-MC-FX-K005 Supplements 00 and 01 included overtime for the detective. However, the budgets for Award Number 2016-MC-FX-K005 Supplement 02 and Award Number 2019-MC-FX-K054 Supplement 00 did not include overtime. Therefore, we identified $2,313 in unallowable overtime costs charged to those awards. We recommend OJP remedy the $2,313 in unallowable overtime costs charged to the awards.

Direct Costs

We also reviewed the remaining direct costs in our sample to determine if the costs were properly authorized and approved, accurately recorded, properly supported, and properly charged to the award. We reviewed supporting documentation such as accounting records, purchase orders, and receipts. We identified four transactions totaling $832 that were unallowable because they were not in the approved budget. Those

transactions included Federal Spending Account contributions, membership fees, shredder repair, and printed cell phone records. We recommend OJP remedy the $832 in unallowable direct costs charged to the awards.

Indirect Costs

Indirect costs are costs of an organization that are not readily assignable to a project but are necessary to the operation of the organization and the performance of the project. Indirect costs were included in the approved budgets and charged against both Award Numbers 2016-MC-FX-K005 and 2019-MC-FX-K054. We compared the indirect cost rate the SCSD included in the approved budget to the applicable indirect cost rate plan, and they matched for both awards.[5] We also took a sample of indirect costs charged to the awards in order to verify the expenditures were calculated using the approved rate and found for Award Number 2016-MC-FX-K005, the SCSD charged $3,960 in unallowable indirect costs to the award. When calculating indirect costs to include in its budget, the SCSD applied its approved indirect cost rate to the total direct costs in the approved budget. The SCSD then took the total indirect costs, divided it by 12 and charged that amount to the award each month. However, during our review we determined that the SCSD did not expend all the direct costs in the approved budgets for Award Number 2016-MC-FX-K005, resulting in $3,960 in unallowable indirect costs charges. We recommend OJP remedy the $3,960 in unallowable indirect costs charged to Award Number 2016-MC-FX-K005.

Table 3

Indirect Cost Rates

Award Number	Direct Costs Charged	Applicable Indirect Cost Rate	Indirect Costs that Should have been charged	Actual Indirect Costs Charged	Difference
2016-MC-FX-K005					
Supplement 00	$269,195	7.34 percent	$19,759	$19,759	$00
Supplement 01	$267,247	7.86 percent	$21,006	$20,781	$225
Supplement 02	$219,496	7.77 percent	$17,055	$21,240	($4,185)
				Total:	**$3,960**

Source: Office of Justice Programs, Grant Management System

Budget Management and Control

According to the 2015 and 2017 DOJ Grants Financial Guides, the 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, the award recipient must initiate a Grant Adjustment Notice

[5] The indirect cost rate plans were prepared in compliance with 2 C.F.R. part 200, the Uniform Grant Guidance.

(GAN) 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 award expenditures to the approved budgets to determine whether the SCSD 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

According to the 2015 and 2017 DOJ Grants Financial Guides, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. The SCSD drawdown amounts were based on quarterly expenditure reports. As of April 23, 2020, the SCSD had drawn down $136,549 for Award Number 2019-MC-FX-K054 and $815,322 for Award Number 2016-MC-FX-K005.[6] To assess whether the SCSD managed award receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records. For Award number 2019-MC-FX-K054, expenditures in the accounting records matched the amount reimbursed, and for Award Number 2016-MC-FX-K005, expenditures in the accounting records exceeded the amount reimbursed.

Federal Financial Reports

According to the 2015 and 2017 DOJ Grants Financial Guides, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. The 2015 and 2017 DOJ Grants Financial Guides also state an award recipient should report actual funds spent, not drawdown amounts from the Federal government on each financial report. To determine whether the SCSD submitted accurate federal financial reports (FFR), we compared the five most recent FFRs submitted for Award Number 2016-MC-FX-K005 to the SCSD's accounting records, and for Award Number 2019-MC-FX-K054, we compared the two most recent FFRs to the SCSD's accounting records.

Specific to Award Number 2019-MC-FX-K054, we determined that quarterly and cumulative expenditures for the FFRs reviewed matched the accounting records. For Award Number 2016-MC-FX-K005, we also found quarterly expenditures matched the accounting records for FFRs 10 through 13; however, the cumulative expenditures were underreported by $2,149. During our analysis, we traced this difference back to FFR number 9. According to a SCSD official, expenses in excess of the award were deducted

[6] The 2016-MC-FX-K005 award ended September 30, 2019 and the SCSD did not drawdown the total awarded, a balance of $53,390 remained.

from the total expenses reported for that period. The SCSD official provided the report used to prepare FFR number 9, and our review of that report and the drawdowns showed the SCSD deducted $2,149 from the total expenditures to match the balance left on supplement 01 of Award Number 2016-MC-FX-K005. Therefore, the SCSD reported its drawdown amount in FFR number 9 rather than actual expenditures as required. According to a SCSD official, the SCSD complete both FFRs and drawdowns quarterly, so normally the amounts drawn down and the amounts reported in the FFRs are the same. Although we believe that SCSD should report actual expenditures as required, we consider this discrepancy to be immaterial. As a result, we do not make a recommendation regarding SCSD reporting of direct expenses on its FFRs.

Table 4

Federal Financial Reports
Award Number 2016-MC-FX-K005

Federal Financial Report Number	Report Period Dates	Expenditure per Accounting Records	Cumulative Total per FFR	Difference[7]
9	07/01/2018 – 09/30/2018	$576,284	$574,135	$2,149
10	10/01/2018 – 12/31/2018	$610,632	$608,483	$2,149
11	01/01/2019 – 03/31/2019	$689,083	$686,962	$2,121
12	04/01/2019 – 06/30/2019	$751,345	$749,196	$2,149
13	07/01/2019 – 09/30/2019	$817,471	$815,322	$2,149

Source: Office of Justice Programs, Grant Management System

The FFRs did not identify any program income for either award. However, as discussed in the Award Expenditure section of this report, indirect costs were charged to Award Numbers 2016-MC-FX-K005 and 2019-MC-FX-K054, and while the SCSD included the indirect costs charged to the awards in the federal expenditures section of the FFR, they did not include these expenses in the indirect expense section of the FFR. According to the 2015 and 2017 DOJ Grants Financial Guides, recipients will report indirect costs for each quarter of the project on each FFR. We contacted OJP's Office of the Chief Financial Officer and confirmed the SCSD should be reporting indirect costs in the indirect expenses section of the FFR.

As a result of our analysis of the SCSD federal financial reports, we recommend OJP ensure: (1) the SCSD has policies and procedures in place to ensure the indirect expense section of the federal financial reports is completed; (2) the SCSD re-submits its final federal financial report for award number 2016-MC-FX-K005 to include indirect costs in the indirect expense section.

[7] The expenditures reported in FFR number 11 exceeded the expenditures per accounting records by $28. This was corrected in FFR number 12.

CONCLUSION AND RECOMMENDATIONS

As a result of our audit testing, we did not identify significant issues regarding the SCSD's management of the award budget, or their process for developing drawdown requests. In addition, there were no indications that the SCSD did not, or is not on track to adequately achieve the stated goals and objectives for the awards. However, we found that the SCSD did not comply with essential award conditions related to progress reports, compliance with award special conditions, award expenditures, and federal financial reports. We provide nine recommendations to the SCSD to address these deficiencies.

We recommend that OJP:

1. Ensure the SCSD re-submits the ending project report for award number 2016-MC-FX-K005, reflecting the accomplishments from the applicable three-year period.

2. Ensure the SCSD establishes policies and procedures for compiling complete and accurate quantifiable statistics to report in progress reports.

3. Ensure the SCSD establishes policies and procedures to ensure all applicable affiliate agencies submitted quantifiable accomplishments to the SCSD.

4. Ensure the SCSD verify all task force investigators and affiliate agencies are aware of the OJJDP approved ICAC Task Force Operational Investigative standards and are complying with those standards.

5. Remedy the $2,313 in unallowable overtime costs charged to the awards.

6. Remedy the $832 in unallowable direct costs charged to the awards.

7. Remedy the $3,960 in unallowable indirect costs charged to Award Number 2016-MC-FX-K005.

8. Ensure the SCSD has policies and procedures in place to ensure the indirect expense section of the federal financial reports is completed.

9. Ensure the SCSD re-submits its final federal financial report for award number 2016-MC-FX-K005 to include indirect costs in the indirect expense section.

APPENDIX 1

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objectives of this audit were to determine whether costs claimed under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the awards; and to determine whether the SCSD demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of award management: program performance, financial management, expenditures, budget management and control, drawdowns, 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), Office of Juvenile Justice and Delinquency Prevention (OJJDP) cooperative agreements awarded to the Sedgwick County Sherriff's Department (SCSD) under the Internet Crimes Against Children (ICAC) task force program. OJP awarded $868,712 through Award Number 2016-MC-FX-K005 and $394,525 through Award Number 2019-MC-FX-K054, and as of April 23, 2020, the SCSD had drawn down $951,870 of the total funds awarded. Our audit concentrated on but was not limited to August 26, 2016, the award date for Award Number 2016-MC-FX-K005, through September 2020, the last day of our audit work. We also noted that Award Number 2016-MC-FX-K005 had reached its project end date and was closed prior to the start of our audit.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of the SCSD's activities related to the audited awards. We performed sample-based audit testing for award expenditures including payroll 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 awards reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The 2015 and 2017 DOJ Grants Financial Guides and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System as well as the SCSD 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 the SCSD to provide assurance on its internal control structure as a whole. The SCSD management is responsible for the establishment and maintenance of internal controls in accordance with 2 C.F.R §200. Because we do not express an opinion on the SCSD's internal control structure as a whole, we offer this statement solely for the information and use of the SCSD and OJP.[8]

In planning and performing our audit, we identified the following internal control components and underlying internal control principles as significant to the audit objective(s):

Internal Control Components & Principles Significant to the Audit Objectives	
Control Activity Principles	
	Management should design control activities to achieve objectives and respond to risks.
	Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
	Management should implement control activities through policies.
Information & Communication Principles	
	Management should use quality information to achieve the entity's objectives.

We assessed the operating effectiveness of these internal controls and identified deficiencies that we believe could affect the SCSD's ability to correctly state financial and performance information, and to ensure compliance with laws and regulations. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

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

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

Description	Amount	Page
Questioned Costs:[9]		
Unallowable Overtime Costs	2,313	7
Unallowable Direct Costs	832	7
Unallowable Indirect Costs	3,960	8
Total Questioned Costs	$7,105	

[9] Questioned Costs are expenditures that do not comply with legal, regulatory, or contractual requirements, or are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

APPENDIX 3

SEDGWICK COUNTY SHERIFF'S DEPARTMENT RESPONSE TO THE DRAFT AUDIT REPORT[10]

SEDGWICK COUNTY, KANSAS

SHERIFF'S OFFICE
JEFF EASTER
Sheriff

141 WEST ELM * WICHITA, KANSAS 67203 * TELEPHONE: (316) 660-3900 * FAX: (316) 383-7758

November 4, 2020

David M. Sheeren
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
1120 Lincoln Street, Suite 1500
Denver, CO 80203

Dear Mr. Sheeren:

In response to the draft audit report provided regarding the Cooperative Agreement Numbers 2016-MC-FX-K005 and 2019-MC-FX-K054, awarded to the Sedgwick County Sheriff's Department (SCSD), under Office of Juvenile Justice Delinquency Prevention's Internet Crimes Against Children Task Force Grant Program, the Sedgwick County Sheriff's Office provides a statement of response and actions we have taken to improve and ensure compliance with the administration of the grant.

1. **Ensure the SCSD re-submits the ending project report for award number 2016-MC-FX-K005, reflecting the accomplishments from the applicable three-year period.**

   SCSO Response: Sedgwick County Sheriff's Office concurs with this recommendation. The revised project report has been completed and is in the process of being submitted. The revised report is attached.

2. **Ensure the SCSD establishes policies and procedures for compiling complete and accurate quantifiable statistics to report in progress reports.**

   SCSO Response: Sedgwick County Sheriff's Office concurs with this recommendation. A policy was created, submitted to our grant manager at OJJDP and approved. The policy will be shared will all members within the task force. The policy is attached.

3. **Ensure the SCSD establishes policies and procedures to ensure all applicable affiliate agencies submitted quantifiable accomplishments to the SCSD.**

[10] The attachments referenced in this response were not included in the final audit report.

SCSO Response: Sedgwick County Sheriff's Office concurs with this recommendation. A policy was created, submitted to our grant manager at OJJDP and approved. The policy will be shared will all members within the task force.

4. **Ensure the SCSD verify all task force investigators and affiliate agencies are aware of the OJJDP approved ICAC Task Force Operational Investigative standards and are complying with those standards.**

   SCSO Response: Sedgwick County Sheriff's Office concurs with this recommendation. A policy was created, submitted to our grant manager at OJJDP and approved. The policy will be shared will all members within the task force. A signed copy of the policy will be maintained by the Kansas ICAC Commander.

5. **Remedy the $2,313 in unallowable overtime costs charged to the awards.**

   SCSO Response: Sedgwick County Sheriff's Office concurs with this recommendation. $1,702.61 was charged to the current award, 2019-MC-FX-K054. A budget modification GAN will be submitted for this award, as soon we can access this award in JustGrants. For the remaining $610.27 an alternate funding source has been identified and these charges have been removed from 2016-MC-FX-K005. SCSD will work with DOJ to return these funds.

6. **Remedy the $832 in unallowable direct costs charged to the awards.**

   SCSO Response: Sedgwick County Sheriff's Office concurs with this recommendation. $170.00 was charged to the current award, 2019-MC-FX-K054. A budget modification GAN will be submitted for this award, as soon we can access this award in JustGrants. For the remaining $661.55 an alternate funding source has been identified and these charges have been removed from 2016-MC-FX-K005. SCSD will work with DOJ to return these funds.

7. **Remedy the $3,960 in unallowable indirect costs charged to Award Number 2016-MC-FX-K005.**

   SCSO Response: Sedgwick County Sheriff's Office concurs with this recommendation. The $3,960 indirect costs have been removed from this award and SCSD will work with DOJ to return these funds.

8. **Ensure the SCSD has policies and procedures in place to ensure the indirect expense section of the federal financial reports is completed.**

   SCSO Response: Sedgwick County Sheriff's Office concurs and is formalizing procedures for the preparation and submission of FFRs. These procedures will be completed and implemented before the end of the year 12/31/20.

9. **Ensure the SCSD re-submits its final federal financial report for award number 2016-MC-FX-K005 to include indirect costs in the indirect expense section.**

   SCSO Response: Sedgwick County Sheriff's Office concurs and will work with DOJ to resubmit a corrected report. Will be resubmitted with #7, indirect cost amount reduced and in correct section. Will also remove unallowable expenditures from #5 and #6.

Respectfully,

Greg Pollock
Colonel, Administrative Bureau
Sedgwick County Sheriff's Office

Attachments
1. Ending Project Report
2. ICAC Standards & Reporting Policy

U.S. DEPARTMENT OF JUSTICE
OFFICE OF JUSTICE PROGRAMS
RESPONSE TO THE DRAFT REPORT

U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

November 12, 2020

MEMORANDUM TO: David M. Sheeren
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General

FROM: Ralph E. Martin
Director *Ralph E. Martin*

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Internet Crimes Against Children Task Force Cooperative Agreements, Awarded to the Sedgwick County Sheriff's Department, Wichita, Kansas*

This memorandum is in reference to your correspondence, dated September 30, 2020, transmitting the above-referenced draft audit report for the Sedgwick County Sheriff's Department (SCSD). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **nine** recommendations and **$7,105** in questioned costs. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by OJP's response.

1. **We recommend that OJP ensure the SCSD re-submits the ending project report for award number 2016-MC-FX-K005, reflecting the accomplishments from the applicable three-year period.**

   OJP agrees with the recommendation. We will coordinate with the SCSD to obtain a copy of their revised final project report for Cooperative Agreement Number 2016-MC-FX-K005, which accurately reflects their accomplishments under the award.

2. **We recommend that OJP ensure the SCSD establishes policies and procedures for compiling complete and accurate quantifiable statistics to report in progress reports.**

   OJP agrees with the recommendation. We will coordinate with the SCSD to obtain a copy of written policies and procedures, developed and implemented, to ensure they compile and maintain complete and accurate quantifiable statistics, to include in progress reports.

3. **We recommend that OJP ensure the SCSD establishes policies and procedures to ensure all applicable affiliate agencies submitted quantifiable accomplishments to the SCSD.**

   OJP agrees with the recommendation. We will coordinate with the SCSD to obtain a copy of written policies and procedures, developed and implemented, to ensure that all applicable affiliate agencies submit quantifiable accomplishments to the SCSD.

4. **We recommend that OJP ensure the SCSD verify all task force investigators and affiliate agencies are aware of the OJJDP approved ICAC Task Force Operational Investigative standards and are complying with those standards.**

   OJP agrees with the recommendation. We will coordinate with the SCSD to obtain a copy of written policies and procedures, developed and implemented, to ensure that all task force investigators and affiliate agencies are aware of, and comply with, Office of Juvenile Justice and Delinquency Prevention's approved Internet Crimes Against Children (ICAC) Task Force Operational Investigative standards, as applicable.

5. **We recommend that OJP remedy the $2,313 in unallowable overtime costs charged to the awards.**

   OJP agrees with the recommendation. We will review the $2,313 in unallowable overtime costs, charged to Cooperative Agreement Numbers 2016-MC-FX-K005 and 2019-MC-FX-K054, and will work with SCSD to remedy, as appropriate.

6. **We recommend that OJP remedy the $832 in unallowable direct costs charged to the awards.**

   OJP agrees with the recommendation. We will review the $832 in unallowable direct costs, charged to Cooperative Agreement Numbers 2016-MC-FX-K005 and 2019-MC-FX-K054, and will work with SCSD to remedy, as appropriate.

7. **We recommend that OJP remedy the $3,960 in unallowable indirect costs charged to Award Number 2016-MC-FX-K005.**

   OJP agrees with the recommendation. We will review the $3,960 in unallowable indirect costs, charged to Cooperative Agreement Number 2016-MC-FX-K005, and will work with SCSD to remedy, as appropriate.

8. **We recommend that OJP ensure the SCSD has policies and procedures in place to ensure the indirect expense section of the Federal Financial Report is completed.**

   OJP agrees with the recommendation. We will coordinate with SCSD to obtain a revised copy of written policies and procedures, developed and implemented, to ensure that the indirect expense section of the Federal Financial Report (FFR) is properly completed.

9. **We recommend that OJP ensure the SCSD re-submits its final federal financial report for award number 2016-MC-FX-K005 to include indirect costs in the indirect expense section.**

   OJP agrees with the recommendation. We will coordinate with the SCSD to obtain a copy of its revised final FFR for Cooperative Agreement Number 2016-MC-FX-K005, to include indirect costs reported in the indirect expense section, as appropriate.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Jeffery A. Haley, Deputy Director, Audit and Review Division, on (202) 616-2936.

cc: Katharine T. Sullivan
Principal Deputy Assistant Attorney General

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for Operations and Management

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Office of the Assistant Attorney General

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Office of the Chief Financial Officer

cc: Louise Duhamel
Acting Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

OJP Executive Secretariat
Control Number IT20201002074625

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

The Office of the Inspector General (OIG) provided a draft of this audit report to the Department of Justice Office of Justice Programs (OJP) and the Sedgwick County Sherriff's Department (SCSD). The SCSD's response is incorporated in Appendix 3 and OJP's response is incorporated in Appendix 4 of this final report. In response to our draft audit report, OJP agreed with our recommendations and, as a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP:

1. **Ensure the SCSD re-submits the ending project report for award number 2016-MC-FX-K005, reflecting the accomplishments from the applicable three-year period.**

   Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the SCSD to obtain a copy of their revised final project report for Cooperative Agreement Number 2016-MC-FX-K005, which accurately reflects their accomplishments under the award.

   The SCSD concurred with our recommendation. In response to this recommendation, the SCSD provided its revised project report and stated that it is in the process of submitting the report to OJP.

   This recommendation can be closed when we receive additional documentation showing the revised project report, accurately reflecting the accomplishments under Cooperative Agreement Number 2016-MC-FX-K005, has been submitted to OJP.

2. **Ensure the SCSD establishes policies and procedures for compiling complete and accurate quantifiable statistics to report in progress reports.**

   Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the SCSD to obtain a copy of written policies and procedures, developed and implemented, to ensure that all applicable affiliate agencies submit quantifiable accomplishments to the SCSD.

   The SCSD concurred with our recommendation. In response to this recommendation, the SCSD stated a policy was created, submitted to the Grant Manager at OJJDP, and approved. The SCSD also stated that the policy, which it provided the OIG, will be shared with all members within the task force.

This recommendation can be closed when we receive additional documentation showing the written policies and procedures, developed and implemented to ensure that all applicable affiliate agencies submit quantifiable accomplishments to the SCSD, were approved by the Grant Manager and shared with all members within the task force.

3. **Ensure the SCSD establishes policies and procedures to ensure all applicable affiliate agencies submitted quantifiable accomplishments to the SCSD.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the SCSD to obtain a copy of written policies and procedures, developed and implemented, to ensure that all applicable affiliate agencies submit quantifiable accomplishments to the SCSD.

The SCSD concurred with our recommendation. In response to this recommendation, the SCSD stated a policy was submitted to and approved by OJJDP. The SCSD further stated that the policy will be shared with all members within the task force.

This recommendation can be closed when we receive additional documentation showing the written policies and procedures were approved by the Grant Manager and shared with all members within the task force.

4. **Ensure the SCSD verify all task force investigators and affiliate agencies are aware of the OJJDP approved ICAC Task Force Operational Investigative standards and are complying with those standards.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the SCSD to obtain a copy of written policies and procedures, developed and implemented, to ensure that all task force investigators and affiliate agencies are aware of, and comply with, OJJDP's approved ICAC Task Force Operational Investigative standards, as applicable.

The SCSD concurred with our recommendation. In response to this recommendation, the SCSD stated a policy was submitted and approved by OJJDP. The SCSD also stated that it will share the policy with all members within the task force. A signed copy of the policy will be maintained by the Kansas ICAC Commander.

This recommendation can be closed when we receive additional documentation showing the written policies and procedures, developed and implemented, to ensure that all task force investigators and affiliate agencies are aware of, and comply with OJJDP's approved ICAC Task Force Operational Investigative standards, were approved by the Grant Manager, shared with all task force investigators and

affiliate agencies, and the Kansas ICAC Commander has a signed copy from each member within the task force.

5. Remedy the $2,313 in unallowable overtime costs charged to the awards.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the $2,313 in unallowable overtime costs, charged to Cooperative Agreement Numbers 2016-MC-FX-K005 and 2019-MC-FX-K054, and will work with the SCSD to remedy, as appropriate.

The SCSD concurred with our recommendation. In response to this recommendation, the SCSD stated $1,703 was charged to the current award, 2019-MC-FX-K054. A budget modification GAN will be submitted for this award as soon as we can access this award in JustGrants. For the remaining $610, an alternate funding source has been identified and these charges have been removed from 2016-MC-FX-K054. The SCSD will work with DOJ to return these funds.

This recommendation can be closed when we receive additional supporting documentation showing the budget modification GAN, adding overtime costs to Cooperative Agreement Number 2019-MC-FX-K054 has been submitted and approved, and the $610 has been removed from Cooperative Agreement Number 2016-MC-FX-K054.

6. Remedy the $832 in unallowable direct costs charged to the awards.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the $832 in unallowable direct costs, charged to Cooperative Agreement Numbers 2016-MC-FX-K005 and 2019-MC-FX-K054, and will work with the SCSD to remedy, as appropriate.

The SCSD concurred with our recommendation. In response to this recommendation, the SCSD stated $170 was charged to the current award, 2019-MC-FX-K054. A budget modification GAN will be submitted for this award as soon as we can access this award in JustGrants. For the remaining $662 an alternate funding source has been identified and these charges have been removed from 2016-MC-FX-K005. The SCSD will work with the DOJ to return these funds.

This recommendation can be closed when we receive additional supporting documentation showing a budget modification GAN has been submitted and approved for the $170 in unallowable direct costs charged to Cooperative Agreement number 2016-MC-FX-K005, and the remaining $662 in unallowable direct costs charged to Cooperative Agreement Number 2016-MC-FX-K005 have been removed.

7. **Remedy the $3,960 in unallowable indirect costs charged to Award Number 2016-MC-FX-K005.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the $3,960 in unallowable indirect costs, charged to Cooperative Agreement Numbers 2016-MC-FX-K005 and 2019-MC-FX-K054, and will work with the SCSD to remedy, as appropriate.

The SCSD concurred with our recommendation. In response to this recommendation, the SCSD stated the $3,960 indirect costs have been removed from this award and it will work with the DOJ to return these funds.

This recommendation can be closed when we receive documentation showing the $3,960 in unallowable indirect costs have been removed from Cooperative Agreement Numbers 2016-MC-FX-K005 and 2019-MC-FX-K054, and the funds have been return to the OJP.

8. **Ensure the SCSD has policies and procedures in place to ensure the indirect expense section of the federal financial reports is completed.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the SCSD to obtain a revised copy of written policies and procedures, developed and implemented, to ensure that the indirect expense section of the Federal Financial Report (FFR) is properly completed.

The SCSD concurred with our recommendation. In response to this recommendation, the SCSD stated it is formalizing procedures for the preparation and submission of FFRs. The SCSD stated that these procedures will be completed and implemented before December 31, 2020.

This recommendation can be closed when we receive a copy of the revised written policies and procedures, developed and implemented, to ensure that the indirect expense section of the FFR is properly completed.

9. **Ensure the SCSD re-submits its final federal financial report for award number 2016-MC-FX-K005 to include indirect costs in the indirect expense section.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the SCSD to obtain a copy of its revised final FFR for Cooperative Agreement Number 2016-MC-FX-K005, to include indirect costs reported in the indirect expense section, as appropriate.

The SCSD concurred with our recommendation. In response to this recommendation, the SCSD stated it will work with the DOJ to resubmit a corrected report. The SCSD also stated that the indirect cost amount will be reduced and

included in the correct section and that it will remove unallowable expenditures from progress report number 5 and number 6.

This recommendation be closed when we receive documentation showing the final FFR for Cooperative Agreement Number 2016-MC-FX-K005, has been re-submitted and indirect costs are in the indirect expense section of the report.