



INTERNAL MANAGEMENT POLICY & PROCEDURE	SECTION NUMBER 01-131	PAGE NUMBER 1 of 4
	CHAPTER & SUBJECT: ADMINISTRATION: Office of Inspector General	
Approved By:  Commissioner of the Juvenile Justice Authority		Original Date Issued: 12/30/98
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POLICY

It is the policy of the Juvenile Justice Authority (JJA) to provide an independent, executive level mechanism for inspections, audits, and/or reviews of all divisions/departments, programs, and services of JJA, the juvenile correctional facilities, and contracted service providers. These inspections, audits, and/or reviews shall be conducted by the Office of Inspector General, who shall be designated by the Commissioner.

DEFINITIONS

Audit: A formal inspection of all programs, functions, transactions, documents, or records, paper or electronic; that is designed to assist juvenile justice management by reviewing a variety of fiscal and performance subjects.

Contract: For purposes of this policy, a contract is a written agreement between the Juvenile Justice Authority and/or a juvenile correctional facility and a person(s), agency(ies), or entity(ies) in which an offer is made and accepted and each party benefits. The written agreement may be in the form that includes, but is not limited to, a contract, provider agreement, Memorandum of Agreement (MOA), Memorandum of Understanding (MOU), etc.

Inspector General (IG): A person designated by the Commissioner who shall have authority to perform audits to ensure all programs are in compliance with applicable contracts, policies, and federal and state statutes and regulations.

Program: For purposes of this policy, a program includes any function, division, service, or facility of the Juvenile Justice Authority (JJA), or any other provider or community supervision agency that receives funding from JJA through a contractual agreement.

PROCEDURES

I. Office of Inspector General

- A. The Office of Inspector General shall:
 1. Provide JJA with an independent and objective audit service;
 2. Ensure all contracted service providers are in compliance with all contracts; and
 3. Perform audits necessary to detect and prevent fraud, waste, and abuse.

- B. The Office of Inspector General shall be independent and unrestricted in its selection of audits to be performed, the scope of audits to be undertaken, and the selection of material to be reviewed or examined during planning and audit execution.
 - 1. The work of other audit and investigative agencies may be used where appropriate to minimize duplication.
- C. The Office of Inspector General shall have full and unlimited access to records, physical properties, and personnel relevant to the performance of an audit.
 - 1. Records and information given to the audit unit during the course of an audit or review shall be handled in the same prudent and confidential manner as those staff normally responsible for them.
 - 2. Efforts shall be made to accommodate the daily business operations of the agency, facility, or contracted service provider when scheduling and conducting audits.

II. Responsibilities of the Inspector General (IG)

- A. The IG shall be responsible for the review of all programs administered or funded through JJA by:
 - 1. Performing audits, special studies, and analyses;
 - 2. Conducting investigations, audit follow-up reviews, and problem-oriented reviews; and
 - 3. Developing and maintaining an Audit Manual to provide detailed guidance and information for audit staff.

III. Audits Scope and Reports

- A. The process of selecting, planning, and conducting audits shall be in accordance with the Office of Inspector General Audit Manual. The manual may be obtained via the agency's intranet main page and on the internet (<http://www.doc.ks.gov>) under "Documents."
- B. Audits shall be performed in accordance with generally accepted government auditing standards (GAGAS) and other special standards adopted for auditing governmental agencies.
 - 1. Any exceptions to the standards shall be documented in the audit report.
- C. Reports.
 - 1. A written audit report shall be promptly prepared and issued by the Inspector General following the conclusion of each audit by the auditor conducting the audit.
 - 2. Audit reports shall be drafted according to the procedures outlined in the Office of Inspector General Audit Manual.
 - 3. Following the issuance of an audit report, the IG shall keep the Commissioner informed concerning any audit response, corrective action taken in response to audit recommendations, or any other relevant matters concerning the audit.

IV. Audits

- A. Fiscal Compliance Audits.
 - 1. Fiscal compliance audits include audits of contracted service providers and recipients of JJA or federal grant funding.

- a. Audits of service providers shall be used to determine whether invoices submitted to JJA:
 - (1) Have been submitted in accordance with JJA's Case Management Payment System Handbook; and,
 - (2) Are supported by appropriate documentation of actual services rendered.
- b. Audits of grant recipients shall be used to determine whether:
 - (1) Grant funding is spent in accordance with the terms and conditions of the grant.
 - (a) Such terms and conditions depend on the source of grant funding that includes, but is not limited to:
 - (1) JJA's Financial Rules and Guidelines for Graduated Sanctions and Prevention Block Grants,
 - (2) Federal grant management requirements promulgated by the Office of Management and Budget, or
 - (3) Other statutory or regulatory restrictions on how grant funds may be spent.
 - (2) Items or services purchased are allowable by testing a sample of expenditures.
 - (3) The internal controls that exist are sufficient to protect grant funds from possible fraud.
 - (4) Expenditure reports submitted to JJA are correct.
 - (5) Grant funds are appropriately managed and used according to the grant application.

B. Performance Audits.

- 1. Performance audits include audits of programs to provide objective analysis regarding the program's economy, efficiency and effectiveness.
 - a. Program audits shall be used to:
 - (1) Assess whether the objectives of a proposed, new, or ongoing program are proper, suitable, or relevant;
 - (2) Determine the extent to which a program achieves desired results;
 - (3) Assess the effectiveness of the program and/or individual program components;
 - (4) Identify factors inhibiting satisfactory performance;
 - (5) Determine whether management has considered alternatives for carrying out the program that might yield desired results more effectively or at a lower cost;

- (6) Determine whether the program duplicates, overlaps, conflicts or complements other related programs; or,
 - (7) Assess compliance with laws and regulations and specific standards applicable to the program.
- b. Economy and efficiency audits shall be used to determine whether the entity:
- (1) Follows sound procurement practices.
 - (2) Acquires the appropriate type, quality, and amount of resources when needed at the lowest cost.
 - (3) Properly protects and maintains its resources.
 - (4) Avoids duplication of effort by employees and doing work that serves little or no purpose.
 - (5) Avoids idleness and overstaffing.
 - (6) Uses efficient operating procedures.
 - (7) Is using the minimum amount of resources (staff, equipment and facilities) in producing or delivering the appropriate quantity and quality of goods or services in a timely manner.
 - (8) Is complying with requirements of laws and regulations that could significantly affect the acquisition, protection, and use of the entity's resources.
 - (9) Has an adequate system for measuring and reporting performance on economy and efficiency.

NOTE: The policy and procedures set forth herein are intended to establish directives and guidelines for staff and juveniles and those entities that are contractually bound to adhere to them. They are not intended to establish State created liberty interests for employees or juveniles, or an independent duty owed by the Juvenile Justice Authority to employees, juveniles, or third parties. This policy and procedure is not intended to establish or create new constitutional rights or to enlarge or expand upon existing constitutional rights or duties.

REPORTS REQUIRED

None.

REFERENCES

Government Auditing Standards (as issued by the Comptroller General of the United States)
K.S.A. 75-7024
JJA Case Management Payment System Handbook
JJA's Financial rules and Guidelines for Graduated Sanctions and Prevention Block Grants
Association of Inspectors General Principles and Standards of Offices of Inspector General

ATTACHMENTS

None.