

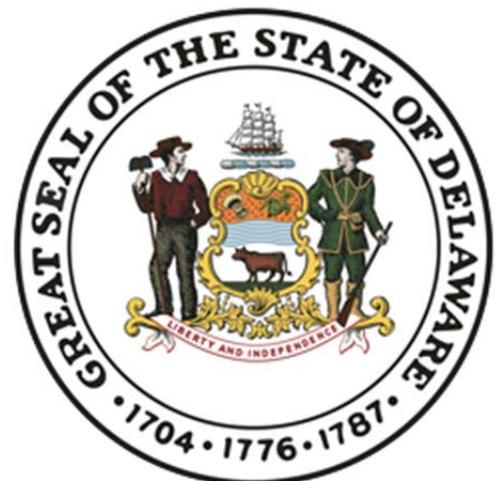
**State of Delaware
Office of Auditor of Accounts**

**The Fund to Combat Violent Crimes
Agreed-Upon Procedures Engagement
The City of Delaware City**

**Fiscal Years Ended
June 30, 2014, 2015, and 2016**

Issuance Date: May 10, 2017

R. Thomas Wagner, Jr., CFE, CGFM, CICA
Auditor of Accounts



Background

The Fund to Combat Violent Crimes (Violent Crimes or the Fund) was established to help fund local law enforcement support initiatives to combat violent crime, which are felonies determined to be violent in nature as defined in 11 Del. C. §4201(c).¹ Grant awards from the Fund are intended to enhance but not supplant the efforts of local law enforcement agencies in combating violent crimes.² Revenue for the Fund is generated through levies assessed on criminal and traffic fines and penalties paid by defendants.³

The State's annual Budget Bill appropriates money for the Fund to the Department of Safety and Homeland Security (DSHS), which is then responsible for tracking the funds in the State's accounting system and distributing grant awards to municipalities in accordance with the *Internal Operating Guidelines for the Fund to Combat Violent Crimes Law Enforcement Program* (Violent Crimes Manual). One-half of the total Fund is designated for use by the State Police (up to \$2,125,000 per year) and one-half is for use by municipal law enforcement agencies via grants (up to \$2,125,000 per year) to fund initiatives to combat violent crimes.⁴ These funds may be used for overtime pay, equipment purchases, advanced training of officers, professional services, new or special programs, and equipment.⁵

The Fund is administered by the Fund to Combat Violent Crimes Committee (the Committee), which is comprised of five members and chaired by the Cabinet Secretary of DSHS. The Committee has the following duties and responsibilities:

- Set funding priorities in order to maximize the impact on the violent crime issues of the State of Delaware;
- Develop any new guidelines and policies for grant processing;
- Approve or disapprove all applications for funding; and
- Notify applicant agencies of approval of grant applications or reasons for disapproval.⁶

Applications for Violent Crimes grants can be submitted by local law enforcement agencies between July 1 and January 31 of each fiscal year. Funds remaining after twelve months of award must be returned to the Fund to Combat Violent Crimes.⁷

See Appendix A for a list of Violent Crimes funds received by each municipality for the Fiscal Years Ended June 30, 2014, 2015, and 2016.

¹ 11 Del. C. §4101(h)(2) and (3)

² 11 Del. C. §4101(h)(4)b.1.

³ 11 Del. C. §4101(h)

⁴ 11 Del. C. §4101(h)(2) and (3)

⁵ Violent Crimes Manual, Chapter IV

⁶ Violent Crimes Manual, Chapter I

⁷ Violent Crimes Manual, Chapter III

Table of Contents

Independent Accountant’s Report..... 1
Appendix A..... 7

Abbreviations

DELJIS	Delaware Criminal Justice Information System
DSHS	Department of Safety and Homeland Security
SBI	State Bureau of Investigation



STATE OF DELAWARE
OFFICE OF AUDITOR OF ACCOUNTS

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Independent Accountant's Report
on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

The Honorable Robert M. Coupe
Secretary
Department of Safety and Homeland Security
P.O. Box 818
Dover, Delaware 19903

Stanley E. Green
Mayor
Delaware City
P.O. Box 4159
Delaware City, Delaware 19706

We have performed the procedures enumerated below, which were agreed to by the Office of Auditor of Accounts and the specified users of the report, as identified above, and as defined within the applicable laws of the State of Delaware. The procedures were performed solely to assist the specified users in evaluating the City of Delaware City's (the City) compliance with the *Internal Operating Guidelines for the Fund to Combat Violent Crimes Law Enforcement Program* (Violent Crimes Manual), and the Delaware Code as specified in the procedures below. The City's management is responsible for the City's compliance with those requirements for the Fiscal Years Ended June 30, 2014, 2015, and 2016 (Fiscal Years 2014, 2015, and 2016, respectively).

This agreed-upon procedures engagement was performed in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and results were as follows:

Procedure 1: Obtained an itemized list of Violent Crimes grants awarded to all municipalities for the fiscal years under review from the Grant Administrator at the Department of Safety and Homeland Security (DSHS).

Results: The itemized list of Violent Crimes grants awarded to all municipalities during Fiscal Years 2014, 2015, and 2016 is in Appendix A.

For Fiscal Years 2014 through 2016, the City received the Violent Crimes grants shown in Table 1 below:

Table 1: Violent Crimes Grant Awards Received by the City	
Fiscal Year Ended June 30,	Grant Amount Received
2014	\$ 9,473.59
2015	8,841.66
2016	8,602.26
Total	\$ 26,917.51

Procedure 2: Obtained from the municipality the grant applications for all Violent Crimes funds expended during the fiscal years under review and verified the intended use of the requested funds was allowable per Chapter IV of the Violent Crimes Manual. [Violent Crimes Manual, Chapter III, 2 and 7]

Results: We found no exceptions as a result of applying these procedures.

Procedure 3: Obtained a copy of the “[Violent Crimes] Statement of Sworn Officers” document for the fiscal years under review and agreed the number of full-time, sworn officers who had been certified and were on the municipality’s payroll as of July 1. Also, verified that the document was signed by the appropriate parties. [Violent Crimes Manual, Chapter III, 3]

Results: We found no exceptions as a result of applying these procedures.

Procedure 4: For any new police officers employed during the fiscal years under review, confirmed with the State Council on Police Training that the officer had a certificate of completion from a school certified by them, in accordance with 11 Del. C. §8405. [Violent Crimes Manual, Chapter II, 1]

Results: For the four new officers employed in Fiscal Year 2015 and the two new officers employed in Fiscal Year 2016, we found no exceptions as a result of applying these procedures.

Procedure 5: For ten percent of all police officers employed during the fiscal years under review, or a minimum of five officers, confirmed with the State Council on Police training that those officers were in compliance with the training requirements of 11 Del. C. §8405. [Violent Crimes Manual, Chapter II, 1]

Results: The City employed no more than four officers during Fiscal Years 2014 and 2016, and five officers in Fiscal Year 2015. We found no exceptions as a result of applying these procedures.

Procedure 6: Confirmed with the State Bureau of Identification (SBI) that the municipality was in compliance with SBI’s crime reporting requirements. [Violent Crimes Manual, Chapter II, 2]

Results: We found no exceptions as a result of applying these procedures.

Procedure 7: For all Violent Crimes funds expended during the fiscal years under review, selected a sample of expenditure transactions, and all transactions over \$5,000, that cleared the bank statements for each fiscal year. Obtained and reviewed supporting documentation for selected transactions to verify that funds were expended for the purpose stated in the grant application. Also, confirmed that the funds were

not expended prior to the approval of the grant application. [Violent Crimes Manual, Chapter III, 10 and 11]

Results: For each fiscal year under review, we selected transactions for testing totaling:

Table 2: Transactions Selected for Testing		
Fiscal Year Ended June 30,	Number of Transactions Selected	Value of Transactions Selected
2014	2	\$ 843.07
2015	10	11,658.26
2016	6	7,840.67
Total	18	\$ 20,342.00

All transactions were for a purpose stated in the grant applications and were expended after the grant approval date. With the exception of one instance of overtime totaling \$150.00, the City provided adequate supporting documentation for all transactions reviewed.

Procedure 8: Ascertained that, if the Violent Crimes funds were used to match federal funds, the match did not exceed 25% of the total grant. [Violent Crimes Manual, Chapter IV, 2]

Results: This procedure is not applicable. The City did not use Violent Crimes funds to match federal funds

Procedure 9: Verified that, for all Violent Crimes grants fully expended during the fiscal years under review, the City submitted a “Final Report Form” with required documentation to DSHS. [Violent Crimes Manual, Chapter III, 10]

Results: The City did not appropriately complete the Final Report form or submit the required documentation as required by the Violent Crimes Manual. Tables 3 and 4 below describe the exceptions.

For Fiscal Years 2015 and 2016, the amount of grant expenditures per the Final Report form did not agree to the City’s records:

Table 3: Difference in Grant Expenditures per Final Report and City Records			
Fiscal Year Ended June 30,	Grant Expenditures per Final Report	Grant Expenditures per City Records	Difference
2015	\$ 8,933.93	\$ 7,116.66	\$ 1,817.27
2016	7,597.79	7,840.67	(242.88)
Total	\$ 16,531.72	\$ 14,957.33	\$ 1,574.39

Also, the City did not provide proper support to DSHS for all overtime expenditures charged to the grant, totaling \$1,324.97 and \$2,007.71 for Fiscal Years 2014 and 2015, respectively. According to the Grant Coordinator at DSHS, proper support would indicate the names, hours worked, pay rates, and amount paid; however, the City only provided limited emails and overtime forms showing some

of the hours worked for certain officers. In addition, the City failed to provide support for a portion of its equipment expenditures as shown in Table 4 below:

Table 4: Unsupported Equipment Expenditures			
Fiscal Year Ended June 30,	Equipment Expenditures per Final Report	Supported Equipment Expenditures	Unsupported Equipment Expenditures
2015	\$ 6,926.22	\$ 6,083.95	\$ 842.27
2016	7,597.79	7,391.54	206.25
Total	\$ 14,524.01	\$ 13,475.49	\$ 1,048.52

The support provided with the Fiscal Year 2016 information included a transaction for \$80.25 that was charged to the grant twice.

Procedure 10: If Violent Crimes funds were not expended within 12 months of receipt, obtained support from the municipality that they received written authorization from the Fund to Combat Violent Crimes Committee for an extension of up to 120 days. [Violent Crimes Manual, Chapter III, 12]

Results: The City appropriately returned \$339.62 in unused Fiscal Year 2014 grant funds to DSHS. However, due to the inaccurate recordkeeping described in AUP 9 above, the City did not expend all of their Fiscal Year 2015 and 2016 grant money, resulting in unused funds that should be returned to DSHS as follows:

Table 5: Unused Grant Money to Return to DSHS			
Fiscal Year Ended June 30,	Total Grant Award Received	Total Supported Expenditures per City Records	Unused Funds to be Returned to DSHS
2015	\$ 8,841.66	\$ 7,116.66	\$ 1,725.00
2016	8,602.26	7,840.67	761.59
Total	\$ 17,443.92	\$ 14,957.33	\$ 2,486.59

We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion on compliance with specified laws. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of DSHS and the City's management. It is not intended to be, and should not be, used by anyone other than these specified parties. However, under 29 Del. C. §10002(1), this report is a public record and its distribution is not limited. This report, as required by statute, was provided to the Office of the Governor, Office of the Controller General, Office of the Attorney General, and the Office of Management and Budget.

R. Thomas Wagner, Jr., CFE, CGFM, CICA
Auditor of Accounts

April 26, 2017

Appendix A

<i>Violent Crimes Grants Received by Municipal Police Department</i>			
Municipality	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
Bethany Beach	\$ 20,920.78	\$ 21,708.31	\$ 19,960.08
Blades	9,473.59	8,170.83	9,153.38
Bridgeville	18,289.32	20,366.65	19,409.02
Camden ⁸	19,605.05	19,500.00	18,857.90
Cheswold	8,815.73	9,512.49	9,153.38
Clayton	19,605.05	20,366.65	19,409.02
Dagsboro	10,131.46	9,512.49	9,153.38
Delaware City	9,473.59	8,841.66	8,602.26
Delmar	24,210.10	23,720.81	21,613.54
Dewey Beach	20,262.92	20,366.65	19,409.02
Dover	75,523.53	76,716.48	64,050.39
Ellendale	8,157.86	8,841.66	8,051.13
Elsmere	22,894.37	22,379.14	21,613.54
Felton	10,131.46	10,183.33	9,704.51
Fenwick Island	18,947.19	19,024.99	18,306.77
Frankford ⁹	8,815.73	-	8,051.13
Georgetown	24,210.10	23,720.81	22,715.79
Greenwood	9,473.59	9,512.49	9,153.38
Harrington	21,578.65	22,379.14	21,062.41
Laurel	23,552.24	25,062.47	23,260.25
Lewes	22,236.51	23,049.98	22,164.66
Middletown	33,420.21	33,112.44	31,533.84
Milford	32,762.34	35,124.94	31,533.84
Millsboro	22,236.51	23,720.81	22,164.66
Milton	20,920.78	19,024.99	18,306.77
Newark	59,734.79	58,604.03	49,721.06
New Castle City	26,183.70	26,404.13	24,369.18
New Castle County	252,489.08	254,486.76	216,712.85
Newport	19,605.05	19,695.82	19,409.02
Ocean View	19,605.00	20,366.65	19,409.02
Rehoboth Beach	24,867.97	25,733.30	24,369.18
Seaford	32,762.34	31,770.78	29,329.33
Selbyville	18,947.19	19,024.99	18,306.77
Smyrna	30,130.88	29,087.46	27,124.82
South Bethany	18,947.19	15,989.68	18,306.77
Wilmington	207,754.30	219,603.53	187,503.06
Wyoming	9,473.59	9,512.49	9,704.51
Total	\$ 1,236,149.74	\$ 1,244,199.83	\$ 1,130,659.62

⁸ According to DSHS, in Fiscal Year 2016, the Committee also voted to award the Camden Police Department \$134,000 to cover Delaware Criminal Justice Information System (DELJIS) fees. This amount was paid through the police department, but separate from the municipality's Violent Crimes allotment.

⁹ According to the Fund Coordinator, the Town of Frankford did not apply for a grant in Fiscal Year 2015.