



**DIVISION OF INSPECTOR GENERAL
Grant Maloy, Clerk of the Circuit Court and Comptroller
Seminole County, Florida**

June 30, 2021

To: The Honorable Chairman and Members of the Board of County Commissioners

We have completed the attached audit of CARES - Individual Assistance - Phase 2.

We would like to acknowledge the County team that successfully implemented this program in support of the citizens of Seminole County.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "William Carroll".

William Carroll, CPA, CFE, CIG, CIGA
Inspector General
Division of the Inspector General

Approved by:

A handwritten signature in blue ink, appearing to read "Grant Maloy".

Honorable Grant Maloy
Clerk of the Circuit Court and Comptroller
Seminole County Florida



**Audit of CARES – Individual Financial Assistance
Phase 2
Audit Report No. 051021**

**HONORABLE GRANT MALOY
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

William Carroll, CPA, CFE, CIG, CIGA
Inspector General

Auditor Assigned:
Viola Saine, CPA, MAFM, CFE, CIGA

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Executive Summary

The audit was conducted to ensure compliance with the Coronavirus Aid, Relief, and Economic Security Act (CARES) approved by Congress on March 27th 2020. This audit included the financial payments made to individuals during Phase 2 of the program.

The objectives of this audit were to determine if:

- o The administrative control procedures over payments and financial assistance to individuals were adequate; and,
- o The County was following the established Federal, State, and local policies and procedures, laws and regulations.

Ernst & Young LLP (EY) was contracted to provide operations support for Phase 2 Individual Financial Assistance. This included the platform development, reviewing applications for funding requests, and providing completed review packages to County officials for funding decisions. County approved applications for about 5,000 individual applications for approximately \$18.8 million.

The audit included a statistical sample of applications paid from September 24, 2020 to December 30, 2020.

It is our opinion, the administrative control procedures over financial assistance payments are adequate and the County is in compliance with established Federal, State, and local policies and procedures, laws, and regulations.

A few of the applicants had requested assistance from more than one program. Because of the sheer volume of transactions being processed the payment system was not able to identify these individuals in time to deny their application. These issues have been brought to the attention of management for their review and to determine if any additional action is needed.

The County did an exceptional job at implementing this program. Individual financial assistance payments provided to the citizens of Seminole County were for over \$18.8 million.

Background

The CARES Act was enacted by Congress on March 27, 2020. The goal of the program was to provide financial relief to individuals, businesses, and government organizations.

The BCC officially created the Seminole CARES Individual Financial Assistance Program to provide its citizens with some money to offset the effects of COVID 19.

As part of implementing CARES, the BCC authorized staff to provide citizens with financial assistance for:

- Up to three (3) months of rent or mortgage payments;
- Up to three (3) months of utility assistance; and,
- Up to \$200 in gift cards for food and basic needs.

This program was implemented in two phases. Phase 1 of the program was administered solely inhouse and Phase 2 was outsourced due to the volume of activity and to ensure that the citizens received assistance in a timely manner.

With that being said, on July 29, 2020, Ernst & Young LLP (EY) was awarded a contract by the County to provide operations support for Phase 2 Individual Financial Assistance. This included the platform development, reviewing applications for funding requests, and providing completed review packages to County officials for funding decisions. County approved applications for about 5,000 individual applications for approximately \$18.8 million.

The objectives of this audit were to determine if:

- The administrative control procedures over payments and financial assistance to individuals were adequate; and,
- The County was following the established Federal, State, and local policies and procedures, laws and regulations.

The audit included a statistical sample of applications paid from September 24, 2020 to December 30, 2020 for Phase 2.

The results of the audit are included in the report that follows.

Objectives

Our objective was to determine if:

- Administrative control procedures were adequate; and,
- County complied with the established Federal, State, and local policies and procedures, laws and regulations.

Scope and Methodology

The scope of this limited audit includes Seminole CARES Individual Grant Assistance Program – Phase 2. All of the checks processed (9,600) from September 24, 2020 to December 30, 2020 were subject to audit.

Our audit procedures included:

- Review of CARES Act and CARES Act Funding Agreement (No. Y2262), policies and procedures, applicable laws, and regulations;
- Testing for compliance with eligibility requirements, and assuring proper supporting documentation;
- Interviews of County personnel; and,
- Other procedures considered necessary.

Overall Evaluation

It is our opinion, the administrative control procedures over the financial assistance payments are adequate and in compliance with established Federal, State, and local policies and procedures, laws, and regulations.

A few of the applicants had inadvertently received assistance from more than one program. Because of the sheer volume of transactions being processed the payment system was not able to identify these individuals in time to deny their application. These issues have been brought to the attention of management for their review and to determine if any additional action is needed.

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Opportunities for Improvements

A few applications exceeded the allowance.

There are certain rules that have been established by Seminole County in order to receive financial assistance. For example, applicants can only receive one award. If the applicant received individual assistance funds or funds from the Small Business Assistance Program then they wouldn't qualify for this program. Also, the individual must physically live within Seminole County.

With this being said, the management team processed over 10,000 checks in a very short period of time and with the volume of applications there are opportunities for some citizens to receive more than their allotment. We met with County management to go over our notes on the files as a learning opportunity and to decide if any action is required.

We noted the following:

- One applicant received individual assistance in both Phase 1 and Phase 2 and thus exceeded the limits;
- Three applicants exceeded the \$5,000 limits per household; and,
- Three applicants received assistance both for individual assistance and also assistance from the Small Business Assistance Program.

These issues have been reviewed with management to determine if additional action is required. Well defined guidelines ensure continued success of the program. This management team is committed to excellence.

Recommendation

Continue to adhere to management's policies and procedures and update as necessary.