



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

January 31, 2023

MEMORANDUM FOR MR. JACOB LEIBENLUFT, CHIEF RECOVERY OFFICER

FROM: Deborah L. Harker /s/
Assistant Inspector General for Audit

SUBJECT: Desk Review of Broward County, FL Use of Coronavirus Relief Fund Proceeds (OIG-CA-23-010)

Please find the attached desk review memorandum¹ on Broward County, FL's (Broward County) use of Coronavirus Relief Fund (CRF) proceeds. The CRF is authorized under Title VI of the Social Security Act, as amended by Title V Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under a contract monitored by our office, Castro & Company, LLC (Castro), a certified independent public accounting firm, performed the desk review. Castro performed the desk review in accordance with the Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Federal Offices of Inspector General*.

Based on a review of Broward County's documentation supporting the uses of CRF proceeds, Castro determined that the expenditures comply with the CARES Act and Treasury's Guidance and that Broward County's risk of unallowable use of funds is low. As such, Castro is not recommending Treasury Office of Inspector General perform an audit of Broward County.

In connection with the contract, we reviewed Castro's desk review memorandum and related documentation and inquired of its representatives. Our review, as differentiated from an audit performed in accordance with generally accepted government auditing standards, was not intended to enable us to express an opinion on Broward County's use of the CRF proceeds. Castro is responsible for the attached desk review memorandum and the conclusions expressed therein. Our review found no instances in which Castro did not comply in all material respects, with quality standards for Federal Offices of Inspector General.

We appreciate the courtesies and cooperation provided to Castro and our staff during the desk review. If you have any questions or require further information,

¹ The CARES Act assigned the Department of the Treasury, Office of Inspector General with responsibility for compliance monitoring and oversight of the receipt, disbursement, and use of CRF payments. The purpose of the desk review is to perform monitoring procedures of the prime recipient's receipt, disbursements, and uses of CRF proceeds as reported in the GrantSolutions portal on a quarterly basis.

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please contact me at (202) 486-1420, or a member of your staff may contact Lisa DeAngelis, Deputy Assistant Inspector General for Audit, at (202) 487-8371.

Attachment

cc: Michelle. A. Dickerman, Deputy Assistant General Counsel, Department of the Treasury
Victoria Collin, Chief Compliance & Finance Officer, Office of Recovery Programs, Department of the Treasury
George Tablack, Broward County Director of Finance
Wayne Ference, Partner, Castro & Company, LLC

Desk Review of the County of Broward

January 31, 2023

OIG-CA-23-010

MEMORANDUM FOR DEBORAH L. HARKER,
ASSISTANT INSPECTOR GENERAL FOR AUDIT

FROM: Wayne Ference, Partner, Castro & Company, LLC

SUBJECT: Desk Review of the County of Broward, Florida

On May 26, 2022, we initiated a desk review of the County of Broward, Florida's (herein referred to as 'Broward County') use of the Coronavirus Relief Fund (CRF) authorized under Title VI of the Social Security Act, as amended by Title V Division A of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)¹. The objective of our desk review was to evaluate Broward County's documentation supporting its uses of CRF proceeds as reported in the GrantSolutions² portal and to assess the risk of unallowable use of funds. The scope of the desk review was limited to obligation and expenditure data for the period of March 1, 2020 through March 31, 2022, as reported in Cycles 1 through 8 in the GrantSolutions portal.

As part of our desk review, we performed the following:

- 1) reviewed Broward County's quarterly Financial Progress Reports (FPRs) submitted in the GrantSolutions portal through June 30, 2021. As all of Broward County's CRF proceeds were expended as of Cycle 5, there were no additional FPRs available for Cycles 6 through 8;
- 2) reviewed the *Department of the Treasury's (Treasury) Coronavirus Relief Fund Guidance* as published in the Federal Register on January 15, 2021³;

¹ P.L. 116-136 (March 27, 2020)

² GrantSolutions, a grant and program management Federal shared service provider under the U.S. Department of Health and Human Services, developed a customized and user-friendly reporting solution to capture the use of CRF payments from recipients.

³ Coronavirus Relief Fund Guidance as published in the Federal Register (January 15, 2021) https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf

Desk Review of the County of Broward

- 3) reviewed Treasury Office of Inspector General (OIG) *Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping*⁴;
- 4) reviewed Treasury OIG's monitoring checklists⁵ of Broward County's quarterly FPR submissions for reporting deficiencies;
- 5) reviewed other audit reports issued, such as Single Audit reports, and those issued by the Government Accountability Office and other applicable Federal agency OIGs for internal control or other deficiencies that may pose risk or impact Broward County's uses of CRF proceeds;
- 6) reviewed Treasury OIG Office of Investigations, the Council of the Inspectors General on Integrity and Efficiency Pandemic Response Accountability Committee (PRAC)⁶, and Treasury OIG Office of Counsel input on issues that may pose risk or impact Broward County's uses of CRF proceeds;
- 7) interviewed key personnel responsible for preparing and certifying Broward County's GrantSolutions portal quarterly FPR submissions, as well as officials responsible for obligating and expending CRF proceeds;
- 8) made a non-statistical selection of aggregate payments to individuals⁷ data identified through GrantSolutions reporting; and
- 9) evaluated documentation and records used to support Broward County's quarterly FPRs.

Based on the results of our desk review, documentation supporting the uses of CRF proceeds comply with the CARES Act and Treasury's Guidance. Additionally, Broward County's risk of unallowable use of funds is low. As such, Castro is not recommending Treasury OIG perform an audit of Broward County.

⁴ Department of the Treasury Office of Inspector *General Coronavirus Relief Fund Frequently Asked Questions Related to Reporting and Recordkeeping* OIG-20-028R; March 2, 2021

⁵ The checklists are used by the Treasury OIG to monitor the progress of prime recipient reporting in the GrantSolutions portal. GrantSolutions quarterly submission reviews are designed to identify material omissions and significant errors, and where necessary, include procedures for notifying prime recipients of misreported data for timely correction. Treasury OIG follows the *CRF Prime Recipient Quarterly GrantSolutions Submissions Monitoring and Review Procedures Guide*, OIG-CA-20-029R to monitor the prime recipients quarterly.

⁶ Section 15010 of P.L. 116-136 established the Pandemic Response Accountability Committee within the Council of the Inspectors General on Integrity and Efficiency to promote transparency and conduct and support oversight of covered funds (see Footnote 13 for a definition of covered funds) and the coronavirus response to (1) prevent and detect fraud, waste, abuse, and mismanagement; and (2) mitigate major risks that cut across program and agency boundaries.

⁷ Obligations and expenditures for payments made to individuals, regardless of amount, are required to be reported in the aggregate in the GrantSolutions portal to prevent inappropriate disclosure of personally identifiable information.

Non-Statistical Transaction Selection Methodology

Castro made a non-statistical selection of Aggregate Payments to Individuals. Selections were made using auditor judgment based on information and risks identified in reviewing audit reports, the GrantSolutions portal reporting anomalies⁸ identified by the Treasury OIG CRF monitoring team, and review of Broward County's FPR submissions. Castro noted Broward County did not obligate or expend CRF proceeds related to Contracts greater than or equal to \$50,000, Grants greater than or equal to \$50,000, Loans greater than or equal to \$50,000, Transfers greater than or equal to \$50,000⁹, Direct Payments greater than or equal to \$50,000 or Aggregate Reporting less than \$50,000¹⁰; therefore, we did not make a selection of transactions from these categories.

The number of transactions (10) we selected to test were based on Broward County's total CRF award amount and our overall risk assessment of Broward County. Additionally, Treasury OIG did not identify any anomalies requiring further testing.

Background

The CARES Act appropriated \$150 billion to establish the CRF. Under the CRF, Treasury made payments for specified uses to States; eligible units of local governments; the District of Columbia; U.S. Territories, including the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands; and Tribal governments. Treasury issued a CRF payment to Broward County for \$340,744,702.30. The CARES Act stipulates that a recipient may only use the funds to cover costs that—

- (1) are necessary expenditures incurred due to the public health emergency with respect to the coronavirus disease 2019 (COVID-19);
- (2) were not accounted for in the budget most recently approved as of March 27, 2020; and

⁸ Treasury OIG has a pre-defined list of risk indicators that are triggered based on data submitted by recipients in the FPR submissions that meet certain criteria. Castro reviewed these results provided by Treasury OIG for Broward County.

⁹ A transfer to another government entity is a disbursement or payment to a government entity that is legally distinct from the prime recipient.

¹⁰ Recipients are required to report CRF transactions greater than or equal to \$50,000 in detail in the GrantSolutions portal. Transactions less than \$50,000 can be reported as an aggregate lump-sum amount by type (contracts, grants, loans, direct payments, and transfers to other government entities).

Desk Review of the County of Broward

(3) were incurred between March 1, 2020 and December 31, 2021.¹¹

Section 15011 of the CARES Act, requires each covered recipient¹² to submit to Treasury and the PRAC, no later than 10 days after the end of each calendar quarter, a report that contains (1) the total amount of large covered funds^{13,14} received from Treasury; (2) the amount of large covered funds received that were expended or obligated for each project or activity; (3) a detailed list of all projects or activities for which large covered funds were expended or obligated; and (4) detailed information on any level of subcontracts or subgrants awarded by the covered recipient or its subcontracts or subgrantees.

The CARES Act assigned Treasury OIG the responsibility for compliance monitoring and oversight of the receipt, disbursement, and use of CRF proceeds. Treasury OIG also has authority to recoup funds in the event that it is determined a recipient failed to comply with requirements of subsection 601(d) of the Social Security Act, as amended, (42 U.S.C. 801(d)).

Desk Review Results

Our review of Broward County's quarterly FPR submissions through June 30, 2021 did not identify reporting issues or variances. Transactions selected for detailed review were supported by documentation and were allowable expenditures in accordance with the CARES Act and Treasury's guidance. We noted that the tested aggregate payments to individuals were necessary expenditures due to the COVID-19 public health emergency, were not accounted for in the budget most recently approved as of March 27, 2020, and were incurred during the covered period. The transactions selected for testing were not selected statistically, and therefore results cannot be extrapolated to the total universe of transactions.

¹¹ P.L. 116-260 (December 27, 2020). The period of performance end date of the CRF was extended through December 31, 2021 by the Consolidated Appropriations Act, 2021. The period of performance end date for tribal entities was further extended to December 31, 2022 by the State, Local, Tribal, and Territorial Fiscal Recovery, Infrastructure, and Disaster Relief Flexibility Act, Division LL of the Consolidated Appropriations Act, 2023, P.L. 117-328, December 29, 2022, 136 Stat. 4459.

¹² Section 15011 of P.L. 116-136 defines a covered recipient as any entity that receives large covered funds and includes any State, the District of Columbia, and any territory or possession of the United States.

¹³ Section 15010 of P.L. 116-136 defines covered funds as any funds, including loans, that are made available in any form to any non-Federal entity, not including an individual, under Public Laws 116-123, 127, and 136, as well as any other law which primarily makes appropriations for Coronavirus response and related activities.

¹⁴ Section 15011 of P.L. 116-136 defines large covered funds as covered funds that amount to more than \$150,000.

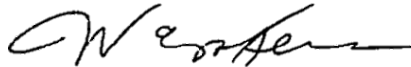
Desk Review of the County of Broward

Conclusion

Based on our review of Broward County's documentation supporting the uses of CRF proceeds as reported in the GrantSolutions portal, we determined that the expenditures comply with the CARES Act and Treasury's Guidance. Additionally, Broward County's risk of unallowable use of funds is low. As such, Castro is not recommending Treasury OIG perform an audit of Broward County.

All work completed with this letter complies with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Federal Offices of Inspectors General*, which require that the work adheres to the professional standards of independence, due professional care, and quality assurance to ensure the accuracy of the information presented¹⁵. We appreciate the courtesies and cooperation provided to our staff during the desk review.

Sincerely,



Wayne Ference
Partner, Castro & Company, LLC

¹⁵ <https://www.ignet.gov/sites/default/files/files/Silver%20Book%20Revision%20-%208-20-12r.pdf>