



COUNTY AUDIT DEPARTMENT

REPORT # 404

MAY 3, 2022

An Audit of:

CARES ACT FUNDING

**HILLSBOROUGH COUNTY SHERIFF'S OFFICE
AGREEMENT**



Cindy Stuart

CLERK OF COURT & COMPTROLLER
HILLSBOROUGH COUNTY

The Honorable Kimberly Overman, Chair
The Honorable Harry Cohen
The Honorable Ken Hagan
The Honorable Pat Kemp
The Honorable Gwen Myers
The Honorable Mariella Smith
The Honorable Stacy R. White

May 3, 2022

Dear Commissioners:

The Audit Team performed an audit of the CARES Act Agreement with the Hillsborough County Sheriff's Office (**Audit Report # 404, dated May 3, 2022**). As part of the *Coronavirus Relief Fund* pursuant to the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, the Board of County Commissioners (BOCC) approved a revision of allowable programs eligible for CARES Act funding to include assistance to the Hillsborough County Sheriff's Office as part of the County's approved Life/Safety Program.

The purpose of this Report is to furnish management with an independent, objective analysis, and information concerning the activities reviewed. It is not an appraisal or rating of management.

Although the Audit Team exercised due professional care in the performance of this audit, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud or abuse will be detected.

I appreciate this opportunity to be of service to the Board of County Commissioners. I am happy to address any questions that you may have or furnish additional information if desired.

Sincerely,

Heidi Pinner

Heidi Pinner, CIA CISA CFE CRMA
Chief Audit Executive, Clerk of Court & Comptroller

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EXECUTIVE SUMMARY

BACKGROUND INFORMATION

On April 22, 2020, Hillsborough County (County) received \$256,847,065 from the *Coronavirus Relief Fund* pursuant to the *Coronavirus Aid, Relief, and Economic Security Act (CARES)*. The United States Treasury has since issued multiple phases of guidance on the use of the funds. The CARES Act provides that payments from the Fund may only be used to cover costs that were:

1. Necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).
2. Not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or jurisdiction.
3. Incurred during the period that begins on March 1, 2020 and ends on December 31, 2021.

On May 6, 2020, the Board of County Commissioners (BOCC) approved a budget amendment appropriating this \$256,847,065 CARES Act funding and establishing maximum funding levels for programing purposes.

On August 5, 2020, the BOCC approved an agenda item that revised allowable programs and funding maximums for CARES Act funding and provided assistance to cities and other County agencies for enumerated programs. Funding for the agreement with the Hillsborough County Sheriff's Office (HCSO) is an appropriate use of CARES Act funding in the Board approved Life/Safety Program.

On December 16, 2020, the BOCC approved the *CARES Act Funding Agreement between Hillsborough County and Chad Chronister, as Sheriff of Hillsborough County (Agreement)* for \$2,000,000 to offset allowable pandemic expenditures consistent with CARES Act funding requirements (Hillsborough County Document Number 20-1466). The Agreement established HCSO as a sub-recipient of the County CARES allocation.

On April 7, 2021, the BOCC approved the first modification to the Agreement, extending the Agreement's end date to December 31, 2021 (Hillsborough County Document Number 21-0338).

On October 6, 2021, the BOCC approved the second modification to Agreement, authorizing an additional \$300,000 in CARES funds to HCSO (Hillsborough County Document Number 21-1122). However, the HCSO requested only \$299,890.16 of the \$300,000.00 to cover remaining COVID-19 related expenditures.

With limited exceptions, the Agreement prohibits the HCSO from using funds to duplicate any countywide programs enacted by the County.

OBJECTIVE

The objective of the audit was to determine whether or not CARES funds were expended by the HCSO in accordance with their Agreement and the CARES Act.

SCOPE

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. These Standards require that County Audit plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the audit comments and conclusions based on the audit objectives. County Audit believes that the evidence obtained provides this reasonable basis.

The audit period covered the CARES eligibility period of March 1, 2020 to December 31, 2021 and covered the HCSO's fiscal years 2020 and 2021. Testing was conducted on transactions as of September 10, 2021.

OVERALL CONCLUSION

Expenditures tested by the Audit Team were in compliance with CARES Act criteria and available guidance. The HCSO incurred eligible expenses related to the COVID-19 pandemic response including goods, services and payroll expenses. Based on the testing performed, the Audit Team was able to conclude overall that the HCSO expended CARES funds in accordance with the Agreement and the CARES Act criteria and has implemented controls to ensure compliance with the terms of the Agreement.

PROCESS STRENGTHS AND SUCCESSES

- The HCSO developed and documented a project plan on how CARES funds were to be spent.
- The HCSO developed and implemented a tracking mechanism to monitor CARES expenditures.
- Adequate supporting documentation was retained.

Full testing results are included on page 4 of this Report.

The exit conference was held with the HCSO and County leadership on **April 11, 2022**.

AUDITED BY

Heidi Pinner, CIA, CISA, CFE, CRMA, Chief Audit Executive

Margaret Brown, CIA, Audit Manager

Sarah Meredith, Internal Auditor

AUDIT COMMENT

HCSO

The HCSO designed and implemented effective controls to spend CARES funding for technology improvements, building/grounds improvements, and care of inmates.

**\$2.3 MILLION
ALLOCATED**

**\$2.3 MILLION
EXPENDED**
As of reporting

**\$1.65 MILLION
EXPENDED
AT TIME OF TESTING**

**82%
TESTED**

**0
EXCEPTIONS**

The HCSO has expended CARES funds in accordance with the Agreement and the CARES Act requirements.

The Audit Team met with officials from the HCSO to determine how they expended CARES funding and identified 3 overall expenditure categories:

- Technology improvements.
- Building/grounds improvements.
- Care of inmates.

The Audit Team obtained the HCSO financial data for fiscal years 2020 and 2021 as of September 10, 2021. At the time transaction data was used for testing, HCSO had expended approximately 83% of the \$2,000,000.00 in CARES funding. *NOTE: At the time of testing, the additional \$300,000 had not yet been awarded to HCSO.* The expenditures occurred in areas including, but not limited to, risk management offices and jail facilities. Expenditures and controls were reviewed to determine whether or not they were appropriately used to cover costs that were:

- Incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).
- Not accounted for in the budget most recently approved as of March 27, 2020.
- Incurred during the period that begins on March 1, 2020 and ends on December 31, 2021.
- Not used to cover expenses for programs that were the same or similar to countywide programs that began prior to the effective date of the Agreement.
- Not providing financial assistance, directly or indirectly, to benefit individuals or entities that have received financial assistance from a countywide COVID-19 related program.

The Audit Team judgmentally selected twenty-five (25) of the approximately 359 expenditures (7%) for testing with a total value of \$1,359,237.43 or 82% of the HCSO’s CARES funds expended at that time.

TESTING RESULTS

Based on the review of overall expenditure plans and through observation and interviews with responsible parties, the Audit Team concluded that HCSO was aware of applicable CARES expenditure requirements and had controls in place to ensure expenditures were consistent with these requirements.

All expenditures (100%) tested by the Audit Team:

- Were fully supported with sufficient documentation.
- Were incurred as a result of the COVID-19 public health crisis, addressing a COVID-related need.
- Did not provide financial assistance to individuals or entities that had received financial assistance from a COVID-19 related County program.
- Were associated with a correlating CARES project established by the HCSO.

RECOMMENDATION

The Audit Team did not identify any material concerns that require corrective action by the HCSO.