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COMPLIANCE ALERT – JULY 2021

The New Jersey Office of the State Comptroller's (OSC) COVID-19 Compliance and Oversight Project is a special project within OSC dedicated to promoting accountability, transparency, and compliance with respect to federal COVID-19 funding. Below, OSC shares a few new resources available to assist local governments in their administration and oversight of federal COVID-19 funding, including Local Fiscal Recovery Funds under the American Rescue Plan Act (ARPA).

1) The U.S. Department of Treasury's (UST) Compliance and Reporting Guidance and Webinars

The UST recently conducted a series of webinars to provide an overview of the State and Local Fiscal Recovery Fund Compliance and Reporting Guidance issued on June 17, 2021. Recordings of the webinars and a copy of the materials are available on UST's website, along with the Compliance and Reporting Guidance and other important information. These webinars include valuable information related to compliance and reporting of Local Fiscal Recovery Funds.

- Counties/cities with population greater or equal to 250,000
- Counties/cities with population less than 250,000 and awards over $5M
- Counties/cities with population less than 250,000 and awards under $5M

2) OSC's Best Practices for Local Governments Using ARPA Funds and Internal Controls Checklist

OSC recently released guidance to New Jersey's local governments that includes best practices, tips, and compliance resources for the use of Local Fiscal Recovery Funds. OSC also released an internal controls checklist that can be used by local governments as a starting point for reviewing internal controls.

3) The U.S. Department of Treasury Promising Practices for Emergency Rental Assistance Programs

The UST website now includes a list of promising practices for Emergency Rental Assistance (ERA) programs that have been collected from ERA grantees across the country. The promising practices are intended to speed up program implementation, more efficiently deliver program benefits, enhance program integrity, and improve tenant and landlord access to programs.

Examples of promising practices identified by UST include:

- ✓ Partnerships in Program Implementation
- ✓ Culturally and Linguistically Competent Outreach
- ✓ Intentional Landlord Engagement
- ✓ Partnerships with Broader Eviction Diversion Programs
- ✓ Collaboration with Local Utility Companies
- ✓ Adjusting Program Strategies to Meet Local Needs
- ✓ Making the Application Process Simple and User Friendly
- ✓ Using Fact-Specific Proxies to Establish Applicant Income
- ✓ Automation Supporting Application Prioritization
- ✓ Data-Driven Program Strategies

4) The Pandemic Response Accountability Committee's State and Local Reports Library

The Pandemic Response Accountability Committee (PRAC) was established by the CARES Act at the federal level to promote transparency and support independent oversight of the funds provided by the CARES Act and other related emergency spending bills including the ARPA. The PRAC recently launched a Reports Library, which contains over 90 reports from state, county, and city auditors overseeing pandemic response funds.

The reports cover a wide range of topics, including:

- Use of Coronavirus Relief Funds,
- Lessons Learned from COVID-19 Grant Programs,
- Identity Theft and Data Privacy,
- Unemployment Insurance, and
- Procurement.

The Reports Library can be used as a resource to learn lessons from other states and localities, determine potential areas of risk, improve administration, and prevent adverse audit findings.

Below are links to a few reports that focus on local or other issues that could be particularly relevant for local government officials, but a review of the database provides an interesting look at the oversight landscape nationwide.

Performance Audit of King County's COVID-19 Pandemic Response
King County, Washington
The COVID-19 pandemic had wide-ranging impacts within King County. County leaders and staff worked hard to shift practices to meet the needs of the changing environment. Our analysis and survey results indicate that employee experience and confidence in safety measures varied across the county, potentially indicating increased exposure risk for some employees.

Audit of COVID-19 Response: Disaster Reimbursements
City of Denton, Texas
This report is intended to provide assurance that the City has established adequate controls over disaster-related expenses to maximize COVID-19 related reimbursements.

[Lessons Learned from County COVID Loaner Laptop Purchases](#)
Montgomery County, Maryland
The Montgomery County Office of the Inspector General initiated a review of Montgomery County's purchase of laptop computers to support a mandatory telework order by the Chief Administrative Officer. We sought to determine whether adequate controls were in place during the acquisition, deployment, and subsequent maintenance of the purchased computers.

[Re: CARES Act Funds](#)
State of Iowa
The Office has reviewed two of the Governor's decisions regarding the spending of Coronavirus Relief Fund (CRF) dollars. We are providing this guidance now to ensure the Governor has an opportunity to correct identified spending that does not comply or may not comply with use restrictions. We have also consulted with The United States Treasury Office of the Inspector General to confirm our conclusions.

[Lessons Learned from County COVID-19 Grant Programs](#)
Montgomery County, Maryland
The Montgomery County Office of the Inspector General initiated a review of Montgomery County's Public Health Emergency Grant (PHEG) Program to determine whether adequate policies, procedures, and controls were in place to efficiently and effectively manage the administration of PHEG awards.

Sign Up for OSC's COVID-19 Updates

For more information regarding OSC's COVID-19 oversight, including information regarding its newly created COVID-19 Compliance and Oversight Project, please visit OSC's website at https://nj.gov/comptroller/. To sign up for additional news or resources related to COVID-19, please send an email to: COVID.Oversight@osc.nj.gov.

Reporting Fraud, Waste, and Abuse

If you have any information about the fraud, waste, or abuse of Local Fiscal Recovery Funds or other COVID-19 relief funds, you can contact OSC through the [online complaint form](#), by email at ComptrollerTips@osc.nj.gov, or by calling the toll-free hotline, 1-855-OSC-TIPS.