



Inspector General Insights

Background: On March 9, 2020, Governor Ron DeSantis declared a state of emergency, followed by Federal Emergency Management Agency (FEMA) EM-3432-FL on March 13, 2020, due to the COVID-19 virus. The Board of County Commissioners (BCC) followed with Proclamation 2020-50 on March 16, 2020, waiving procedures and formalities required of the County by law or ordinance for the expenditure of public funds. Specific instructions for the procurement of COVID-19 expenses were issued by the BCC Procurement department on March 18, 2020.

On June 16, 2020, the governor announced Florida's plan to distribute \$1.275 billion in Coronavirus Aid Relief and Economic Security (CARES) Act funds to counties with a population below 500,000. Collier County's \$67 million in funds were divided into five broad initiatives:

- \$30 million for community health and services initiatives. This includes nonprofits, community health and public safety providers as well as 501(c)(19) veteran's organizations, food banks/pantries and childcare providers that fall under 501(c)(3) nonprofit status.
- \$15 million for individual assistance. These funds will be distributed to qualified residents for assistance with past due rent, mortgage, childcare, and utility payments.
- \$10 million for small business relaunch and rehire grants. This includes hospitality marketing efforts for those in that sector.
- \$5 million for personal protective equipment (PPE). This involves providing kits to small businesses, health and public safety and nonprofits in Collier County that are heavily involved with public interaction.
- \$7 million in reserve.

On July 14, 2020, the BCC approved the above initiatives, and approved related guidance in spending these funds. This guidance was further clarified in Executive Summary 16.F.1 dated August 25, 2020. Also on August 25, 2020, the BCC entered into an agreement with Patriot Place Trust, to provide office and warehouse space for CARES grant staff and storage of PPE equipment, respectively. Executive Summary 16.F.1 on that same date, specifically authorized the County Manager to, "enter into lease agreements for testing location and storage for the PPE supplies."

Due to the risk of fraud, the Office of Inspector General (OIG) provided an additional level of review and analysis. This included a detailed review of the costs coded as PPE and those costs coded as specific to COVID.

Objective: Our objective was to ensure adequate procedures and processes are in place for the County to properly document, approve, capture and submit for reimbursement per the grant terms, those direct expenditures attributable to COVID.

Scope: The OIG reviewed PPE and other direct expenditures coded as attributable to COVID for compliance with BCC guidance and with grant terms for fiscal year 2020. We visited the leased office and storage space to review the functionality.

Observations: In our review of PPE and other direct expenditures, we observed the following:

1. Procurements of PPE and other supplies generally displayed an awareness and documentation of federal contract provisions and assurances. Vendor attestations regarding these requirements were routinely obtained.
2. We noticed two instances where sales tax was paid on one vendor's invoices:
 - a. In one instance, the vendor was charged sales tax for the rental of equipment from a third party, and the vendor was properly reimbursed for \$88.10.
 - b. In the other instance, the vendor charged the BCC sales tax on PPE supplies, totaling \$34.29. Due to the immateriality of this finding, we did not recommend the BCC seek a credit for this amount.
3. The BCC had a pre-existing lease dated July 11, 2017 with Patriot Place Trust for a Sheriff's substation, at an annual cost of approximately \$13.64 per square foot, as of the date of the second lease for the CARES office and storage areas. The new one-year lease of space, which included warehouse space and the use of a forklift, equated to an annual cost of \$16.00 per square foot (shared common costs were ignored for both calculations).
 - a. BCC staff did not document the reason for the selection of this space, nor the determination that the cost was reasonable.
 - b. Approximately one-third of this rental space was attributable to office space for BCC grants staff to meet with the public to assist with CARES grants, which was not mentioned in the Executive Summary specifically authorizing this lease.
 - c. Neither of the above observations were required due to the state of emergency, and BCC staff may have found it expeditious to work with an existing vendor to secure rental space. Accordingly, we have made no recommendations regarding either comment.
4. Many of the COVID expenses were not submitted for CARES reimbursement, as the BCC was able to recapture more payroll for public health and safety employees than originally anticipated. Our total reviewed included both items submitted for CARES reimbursement, and COVID expenditures for which the BCC did not seek repayment.

Conclusion: Overall, based on the results of our audit, the BCC staff and Clerk's Finance staff have complied with the reimbursement requirements of the CARES Act. The results of our audit were Satisfactory.

Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	Findings
731	\$ 2,510,147.83	\$ 34.29	N/A	1