MEMO

DATE: **February 10, 2022**

TO: **Human Resources**

FROM: **Jeff May, County Auditor**

SUBJECT: **Request of using COVID-19 Funding (ARPA and/or ERA) funds to fund 3 Internal Auditor Positions in the County Auditor's Office.**

I discussed adding three Internal Auditors with Commissioners Court in executive session and was informed to move forward with adding these temporary full-time positions to my staff. I attempted to have a public hearing as required by the local government code on Friday, February 4, but it was cancelled due to the County weather closure. I would like to move forward with having the Commissioners Court approve the positions pending the District Judges' approval at the public hearing scheduled on March 4th. Justification for these positions was provided to Commissioners Court as follows:

The County has received or has been allocated to receive over $360 million in grant funding due to the pandemic. Prior to 2020 the County typically received approximately $5 million to $6 million annually in grant funding. This additional funding is placing a large amount of work on the County Auditor's staff in different ways. Last year we approved and hired two additional staff in order to monitor sub recipients of CARES funds and to catch up on the OPEN Grant documentation requirement of business to provide information as to how funds were utilized. In our Single Audit (outside audit of grants) it was recommended that the County provide more resources to monitor subrecipents (recipients of grant funds from Denton County from funds granted to the County). Today in the County Auditor's Office we have two additional areas of urgent need of additional resources:

1) **Monitoring United Way's activity, especially with ERA (Emergency Rental Assistance) and ERA2 funds** - We are having problems reconciling the data provided by United Way in regards to reporting ERA funds to the federal government. Currently this data is manually collected by one person at United Way on Microsoft Excel spreadsheets of which we have discovered many inaccuracies and are not confident with the accuracy of the data. We are in the process of purchasing software which once implemented should help with this issue in the future, but we are going to have to audit and adjust the data collected over the past year to ensure it is accurate. Also, I need to audit the screening process to ensure that the grant funds are being utilized in accordance with the agreement with United Way and with the grant requirements of the federal government. I would like to add two additional full-time temporary Internal Auditors to accomplish these two tasks. ERA

and/or ARPA funds can be used to fund these positions.

2) **FEMA Vaccination Clinic Reimbursements** - We are currently seeking reimbursement of funds utilized for the vaccination clinics through December 31 of 2021 from FEMA for Denton County and all partners that provided resources to the County. I expect the County to have approximately $5 million in eligible expenditures and other partners approximately another $1 to $2 million. We have currently only requested reimbursement for other entities and have not requested reimbursement for any County expenditures at this time. FEMA reimbursement requests are very time intensive to complete because every transaction has to be audited and entered individually on a reimbursement form. I am currently lacking the staff time to be able to complete these reimbursement forms quickly even though there is no official deadline to have these completed. I will be requesting one temporary full-time position to be dedicated to FEMA work. This can be funded with ARPA funds with your approval.

In summary I am requesting 3 full-time temporary positions (Internal Auditor's) to be funded with ARPA and/or ERA funds as well as the necessary equipment needed to perform their tasks. These positions will expire December 31, 2025. I currently have the office space to place the additional staff. The minimum starting salary for an Internal Auditor position is $55,981 per annum. If you approve I will then take this request to a public hearing with the District Judges for their approval as required by the Local Government Code.