

National Emergency Management Association Conference June 30, 2021

Department of the Treasury (Treasury)
Office of Inspector General (OIG)



Speakers

- Donna Joseph, Deputy Assistant Inspector General for Audit, Department of the Treasury Office of Inspector General
- Andrea Smith, Audit Director, CARES Act Department of the Treasury Office of Inspector General

Agenda

- Coronavirus Relief Fund (CRF) Authority
- Treasury OIG CRF Monitoring
 - Quarterly Financial Progress Reports
 - Desk Reviews
 - Audits
 - Complaints
- Questions



Treasury OIG Authority

- Responsible for monitoring and oversight of the receipt, disbursement, and use of Coronavirus Relief Fund payments
- Recouping funds if Treasury OIG determines that a State, Tribal government, or unit of local government has failed to comply with “Uses of Funds” under subsection 601(d) of the Social Security Act, as amended by the CARES Act



CRF Uses of Funds

- *Consolidated Appropriations Act, 2021* extended the covered period for CRF recipients to use proceeds through December 31, 2021
- Accordingly subsection 601(d) requires that recipients of CRF proceeds must use funds for costs that:
 - are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19);
 - were not accounted for in the budget most recently approved as of March 27, 2020; and
 - were incurred between March 1, 2020 and December 31, 2021.

Treasury OIG Monitoring

- Quarter Financial Progress Reports:
 - Review of prime recipients' quarterly financial progress report submissions in GrantSolutions
 - Obligations and expenditures \geq \$50,000 for contracts, grants, loans, direct payments, transfers to other government entities
 - Aggregate obligations and expenditures of contracts, grants, loans, direct payments, and transfers to other government entities below \$50,000
 - Aggregate obligations and expenditures to individuals, regardless of the amount

CRF Desk Reviews

- Review of prime recipient's quarterly financial progress report submissions
- Review other audit reports (i.e. Single Audit, Oversight.gov., PandemicOversight.gov) to identify internal control deficiencies or other noncompliance matters
- Review referrals from Treasury OIG's Office of Investigations and Office of Counsel, the Pandemic Response Accountability Committee, and other external sources

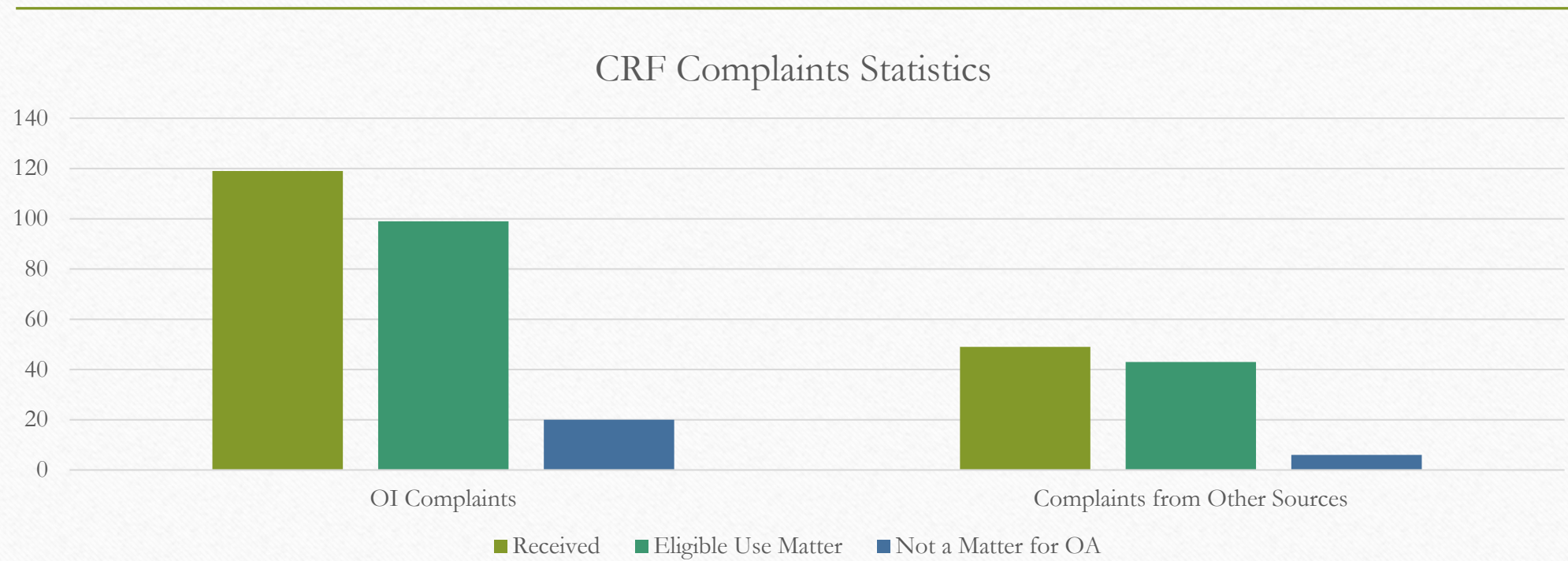
CRF Desk Reviews

- Select a sample of contracts, grants, transfers made to other government entities, loans, direct payments, and payments to individuals
- Review prime recipients' documentation to sufficiently support selected contracts, grants, transfers made to other government entities, loans, direct payments, and payments to individuals

CRF Audits

- **Objective** – To assess whether the Prime Recipient used Coronavirus Relief Fund Payment proceeds in accordance with subsection 601(d) of the Social Security Act, as amended, (42 U.S.C. 801(d)), Treasury’s *Coronavirus Relief Guidance for State, Territorial, Local, and Tribal Governments*, and Treasury’s *Coronavirus Relief Fund Frequently Asked Questions*.

CRF Complaints



Audit/Desk Review Tips

- Prime (sub) recipients documentation to support that use of CRF proceeds
 - (1) are necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 (COVID-19);
 - (2) were not accounted for in the budget most recently approved as of March 27, 2020; and
 - (3) are incurred between March 1, 2020 and December 31, 2021.
- Prime (sub) recipient's documentation and records used to support their use of CRF proceeds
- Prime (sub) recipient's documentation and records used to support their CRF quarterly submissions

Future Work

- Desk Reviews
 - All 50 States
 - All Territories
 - Selected Local Units of Government
 - Selected Tribal Governments
- Audits
 - Selected States, Territories, Local Units of Government, and Tribal Governments

Recoupment

There are opportunities for a prime recipient to appeal a determination of non-compliance by the Treasury OIG before and after the covered period ends on December 31, 2021

- Before December 31, 2021
 - Prime recipient is required to recover funds and may redeploy them for COVID-19 related expenditures before December 31, 2021
- After December 31, 2021
 - Treasury OIG may:
 - seek recoupment of funds; or
 - allow the prime recipient to demonstrate that other eligible expenses incurred during the covered period of March 1, 2020 through December 31, 2021, would qualify as allowable
 - If there is a determination to recoup funds, Treasury OIG will attempt to collect those funds from the prime recipient through Treasury's Bureau of Fiscal Service – Centralized Receivable Service.

Questions



Contact Information

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