



*Cindy Stuart*  
**Clerk of Court & Comptroller**  
HILLSBOROUGH COUNTY

**COUNTY AUDIT DEPARTMENT**

**REPORT # 403**

**MARCH 15, 2022**

*An Audit of:*

**CARES ACT FUNDING**

**CITY OF TEMPLE TERRACE AGREEMENT**



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

March 15, 2022

Dear Commissioners:

The Audit Team performed an audit of the CARES Act Agreement with the City of Temple Terrace (**Audit Report # 403, dated March 15, 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 cities 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*

**Together, we will get to YES!**

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

CC: Bonnie Wise, County Administrator  
Tom Fesler, Chief Financial Administrator  
Andy Ross, Mayor, City of Temple Terrace  
Steve Spina, Interim City Manager, City of Temple Terrace  
Lyn Boswell, Finance Director, City of Temple Terrace

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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 for enumerated programs. Funding for the agreement with the City of Temple Terrace is an appropriate use of CARES Act funding in the Board approved Life/Safety Program.

On September 2, 2020, the BOCC approved the *CARES Act Funding Agreement between Hillsborough County and the City of Temple Terrace (Agreement)* for \$228,817 (Hillsborough County Document Number 20-0924) which established the City of Temple Terrace (City) as a sub-recipient of the County CARES allocation.

On October 21, 2020, the BOCC approved a modification to the Agreement, increasing the CARES funding to a total of \$2,900,000. (Hillsborough County Document Number 20-1183).

With limited exceptions, the Agreement prohibits the City of Temple Terrace 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 City 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. Testing was conducted on CARES related expenditures and allocations as of December 4, 2021.

**OVERALL CONCLUSION**

The City of Temple Terrace has incurred several eligible expenses related to the COVID-19 pandemic response including goods, services and payroll expenses. As an administrative convenience, the \$2.9 million in CARES funding awarded to the City was allocated to eligible payroll expenditures and the Audit Team can conclude overall that the City expended CARES funds in accordance with the Agreement and the CARES Act criteria.

Full testing results are included on page 3 of this Report.

The exit conference was held with City and County leadership on March 2, 2022.

**AUDITED BY**

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

Margaret Brown, CIA, Audit Manager

Matthew Demler, CIA, Senior Internal Auditor

Lovonia Scott, CGAP, Internal Auditor

**AUDIT COMMENT**

**CITY OF TEMPLE  
TERRACE**

Temple Terrace used funding to pay for personnel expenses (Fire Rescue Operations) in accordance with the CARES Act criteria.

**\$2.9 MILLION  
ALLOCATED**

**\$2.9 MILLION  
EXPENDED**

**\$0.00  
REMAINING**

**25  
PAYROLL PERIODS  
TESTED**

**50  
EMPLOYEE  
PAYROLL  
TRANSACTIONS  
CONFIRMED**

**NO  
EXCEPTIONS**

The City of Temple Terrace has expended CARES funds in accordance with the Agreement and the CARES Act requirements.

The Audit Team met with officials from the City to determine how the City expended the CARES funding and determined that the City had eligible payroll expenditures which exceed the amount of funding awarded by the Agreement. As an administrative and accounting convenience, the City has opted to allocate the entire \$2.9 million in awarded CARES funds to these eligible costs.

The CARES Act identifies eligible expenses to include *“Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID–19 public health emergency.”* The CARES Act further states that *“payroll and benefits of a substantially dedicated employee may be covered using payments from the Fund to the extent incurred between March 1, 2020 and December 31, 2021.”*

U.S. Treasury Guidelines issued in the Federal Register, Vol. 86, No. 10 on January 15, 2021 states *“...as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID–19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.”*

The Audit Team obtained the City’s Fire Rescue Operations payroll data for calendar years 2020 and 2021. Twenty five pay periods were selected for testing. During those periods, the City expended \$4,495,003.88 on Fire Rescue Operations

personnel expenses which represents approximately 155% of awarded CARES funding. Fifty employee payroll transactions were sampled and reviewed as part of the Audit Team's testing to determine whether or not they were eligible uses of CARES funding.

## TESTING RESULTS

The payroll periods tested by the Audit Team:

- Were supported with sufficient documentation to reasonably assume Fire Rescue payroll expenses exceeded the \$2.9M awarded to the City.
- Were incurred after March 1, 2020, were a result of the COVID-19 public health crisis, and were used to address the needs related to the response to the pandemic.
- Were not used to cover City programs that were similar or the same as County COVID-19 related programs.
- Did not provide financial assistance to individuals or entities that had received financial assistance from a COVID-19 related County program.
- Were not paid for by another dedicated funding source.

## RECOMMENDATION

The full \$2.9M in CARES funding has been expended by the City for an appropriate CARES related payroll expense in compliance with the terms of the Agreement. No corrective actions relative to these funds are needed.