



**DIVISION OF INSPECTOR GENERAL**  
**Grant Maloy, Clerk of the Circuit Court and Comptroller**  
**Seminole County, Florida**

June 30, 2021

To: The Honorable Chairman and Members of the Board of County Commissioners

We have completed the enclosed audit of the CARES Act – Small Business Grants – (Phase I). Phase I of the program included financial awards to Small Businesses for the period from June 23<sup>rd</sup>, 2020 to September 18<sup>th</sup>, 2020.

We would especially like to acknowledge Ms. Dana Carr, Business Development Manager for her assistance with the audit.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "William Carroll".

William Carroll, CPA, CFE, CIG, CIGA,  
Inspector General  
Division of the Inspector General

Approved by:

A handwritten signature in blue ink, appearing to read "Grant Maloy".

Honorable Mr. Grant Maloy  
Clerk of the Circuit Court and Comptroller  
Seminole County



**Audit Report No. 043021**  
**Audit of CARES Act - Small Business Grants – Phase I**

**HONORABLE GRANT MALOY**  
**CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

William Carroll, CPA, CFE, CIG, CIGA  
Inspector General

Auditor Assigned:  
Timothy Tschappat, CFE, CIA, CIGA

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## **Executive Summary**

The audit was conducted to ensure compliance with the Coronavirus Aid, Relief, and Economic Security Act (CARES) approved by Congress on March 27<sup>th</sup> 2020.

The CARES program provided targeted financial relief specifically for individuals, businesses, nonprofit organizations and local municipalities from financial losses resulting from Coronavirus Disease 2019 (COVID-19).

This audit included the financial payments made to small businesses during Phase 1 of the program. The County processed assistance payments for approximately 400 businesses for \$2.6 million for those business that could demonstrate that their business was negatively impacted by the pandemic.

The County required that funds received were to be spent on business related expenses such as rent/mortgage, payroll, utilities, investments to meet reopening guidelines, remote access equipment, and Internet-based communications and service delivery technology. The scope of this audit did not include verifying how the businesses used the funds.

The objectives of this audit were to determine if:

- The administrative control procedures over payments and financial assistance to small businesses were adequate; and,
- The County was following the established Federal, State, and local policies and procedures, laws and regulations.

The audit included a statistical sample of applications processed from June 23, 2020 to September 18, 2020.

Based on our test work, we have formed the opinion that Seminole County is in compliance with Federal, State, and County policies, procedures, and guidelines.

We noted just a few files that had documentation related issues. These issues have been brought to the attention of management to determine if any additional action is needed.

## Background

On March 27th, 2020, the Coronavirus Aid, Relief, and Economic Security Act, known as the CARES Act (Act), was signed into law. The Act approved by Congress provided \$150 billion in assistance for state and local governments throughout the United States. Of this amount, Seminole County was allocated \$82,328,650.

At the June 23rd, 2020 BCC meeting, the County Manager's Office presented a detailed plan to the Commission for approval as to how the money would be disbursed to the community in a fair and equitable manner. The following allocation was approved by the board:

CATEGORY	ALLOCATION
SMALL BUSINESS ASSISTANCE	\$10,000,000.00
INDIVIDUAL AND NON-PROFIT	\$18,000,000.00
PUBLIC SAFETY, SERVICE, AND HEALTH	\$36,500,000.00
SPECIAL ECONOMIC RECOVERY	\$5,000,000.00
OTHER	\$12,500,000.00
<b>TOTAL GRANT AWARD</b>	<b>\$82,000,000.00</b>

This audit included the payments from June 23<sup>rd</sup>, 2020 to September 18, 2020. The County processed assistance payments for approximately 400 businesses for \$2.6 million for those business that could demonstrate that their business was negatively impacted by the pandemic.

The County required that funds received were to be spent on business related expenses such as rent/mortgage, payroll, utilities, investments to meet reopening guidelines, remote access equipment, and Internet-based communications and service delivery technology. The scope of this audit did not include verifying how the businesses used the funds.



## Audit Objectives

The objectives of this audit were to determine if:

- The administrative control procedures over payments and financial assistance to small businesses were adequate; and,
- The County was following the established Federal, State, and local policies and procedures, laws and regulations.

## Methodology and Scope

All CARES Act payments to Small Businesses for the period from June 23<sup>rd</sup>, 2020 to September 18, 2020 were subject to audit.

The audit included:

- Reviewing the CARES Act and the Federal, State, and County guidelines;
- Statistically testing applications and supporting documentation for compliance with approved guidelines; and,
- Other procedures considered necessary under the circumstances.

## Overall Evaluation

Based on our test work, we have formed the opinion that Seminole County is in compliance with Federal, State, and County policies, procedures, and guidelines.

We noted just a few files that had documentation related issues. These issues have been brought to the attention of management to determine if any additional action is needed.

## Opportunity for Improvement

### *A few files had documentation issues.*

The following issues have been addressed with management to our satisfaction.

- Two of forty-four (4.5%) applications that we reviewed had Federal Tax identification (TIN) on the applications did not have the same TIN on supporting documentation that matched.
- Two of forty-four (4.5%) applications did not specify whether their workers were classified as either W2 or 1099 independent contractors. The classification and number of workers determines the grant amount awarded.

To put this into proper perspective, County staff successfully evaluating well over 400 small business applications and providing financial payments of over \$2.6 million to the small business community.

These issues have been reviewed with management to determine if any additional action is required. Management is committed to continuous improvement of the program.

By continuing to adhere to the established policies and procedures provides assurance that the financial awards are fair, objective and in compliance with guidelines.

### **Recommendations**

Continue to adhere to approved policies and procedures.