



An Audit of the American Rescue Plan Act Grant 2023

August 2024

By Onondaga County Comptroller Martin D. Masterpole

Report Index

Report Section	Section Name	Page Number
I	Background & Executive Summary	2
II	Scope and Methodology	4
III	Findings and Recommendations	5
IV	Management Response	6

SECTION I BACKGROUND & EXECUTIVE SUMMARY

Background

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the Federal government's American Rescue Plan Act (ARPA), delivered approximately \$350 billion to state, territorial, local, and Tribal governments across the country to support their response to, and recovery from, the COVID-19 public health emergency. Through SLFRF/ARPA over 30,000 recipient governments across the country have invested these funds to address the unique needs of their local communities.

Across the nation, SLFRF funding recipients have used the money to replace lost public sector revenue, to respond to the far-reaching public health and negative economic impacts of the pandemic and to provide premium pay for essential workers. SLFRF funding has also been used to invest in water, sewer, and broadband infrastructure initiatives as well as to provide emergency relief from natural disasters and support surface transportation projects.

In 2021 Onondaga County received \$89,452,165 in SLFRF funding. Per the County website dedicated to their 2021 plan (<https://express.adobe.com/page/UtCQncVfZXZB0/>), County officials stated...“With the announcement of the American Rescue Plan funding, our team began to focus on how we would address our long-term financial and social service needs. Our team looked to our departments for meaningful projects that would address our economic losses, invest in our infrastructure and support our human service needs. To that end, we put together a comprehensive plan that incorporated our core platforms to address the areas of Poverty, Infrastructure and Economic Development.”

Another County website (<https://americanrescueplan.ongov.net/>) gives a list of the funded projects and their budgets, as well as additional reports providing descriptions of each of the proposed projects utilizing SLFRF funding.

Total County SLFRF expenditures in 2023 equaled \$6,672,358.75. Of the more than \$89,452,165.00 in SLFRF funding awarded to the county, \$56,404,401.85 has been expensed as of 7/31/24. Award funds must be financially obligated (an order placed for property and services or entering into contracts, sub awards, and similar transactions that require payment) prior to December 31, 2024. Funds must be expended by December 31, 2026. Any funds not expended by that date must be returned. Projects status as of 7/31/2024 as well as brief descriptions is as follows...

Project Title	Description	Budgeted Amount	Amount Expensed	Remaining Budget
Broadband-Digital Divide	Provide broadband access across the County	\$ 14,186,000.00	\$ 5,656,670.00	\$ 8,529,330.00
Lead Initiative	Increased lead testing and community outreach	\$ 3,726,082.00	\$ 494,675.75	\$ 3,231,406.25
Parks/Facility Funding	Replacement of outdated equipment	\$ 105,757.00	\$ 105,756.97	\$ 0.03
Lakefront Development Study	Market feasibility study	\$ 129,979.72	\$ 129,979.72	\$ -
Administration	Administrative costs, salaries, etc.	\$ 993,338.69	\$ 554,715.72	\$ 438,622.97
Infrastructure Maintenance Equipment	Replacement of outdated equipment	\$ 1,997,007.59	\$ 1,997,007.59	\$ -
Carnegie renovations	Renovation to create more County office space	\$ 4,000,000.00	\$ 3,985,245.60	\$ 14,754.40
Road and Bridge Work	Infrastructure investment	\$ 5,000,000.00	\$ 5,000,000.00	\$ -
CNY Arts Film incentives	Production incentives aimed to stimulate local economy and expand workforce	\$ 5,000,000.00	\$ 2,224,115.34	\$ 2,775,884.66
Site Development & Workplace	Revolving loan fund for economic development opportunities	\$ 20,000,000.00	\$ 19,729,708.62	\$ 270,291.38
White Pine Improvements	Development of business park in preparation for Micron.	\$ 25,000,000.00	\$ 8,672,906.92	\$ 16,327,093.08
Mens Homeless Shelter - Catholic Charities	Newly renovated homeless shelter in city of Syracuse	\$ 2,000,000.00	\$ 2,000,000.00	\$ -
Mental Health clinics in Schools	Mental health services in schools	\$ 5,500,000.00	\$ 5,245,221.51	\$ 254,778.49
Non-Profit Veterans initiative	Home repair program for veterans	\$ 1,000,000.00	\$ 532,747.00	\$ 467,253.00
Early Intervention	Incentive funding to early intervention providers	\$ 300,000.00	\$ -	\$ 300,000.00
Public Health Fellows	Expanded salary support for essential Public Health Fellows	\$ 300,000.00	\$ -	\$ 300,000.00
Emergency Response	Vehicle purchase to enhance response capabilities	\$ 214,000.00	\$ 50,000.00	\$ 164,000.00
Totals		\$ 89,452,165.00	\$ 56,378,750.74	\$ 33,073,414.26

Executive Summary

There were limited findings. We selected 40 vouchers from a mix of SLFRF projects within the audited period. Of the 40 cases tested, we found one voucher that lacked a completed requisition, a purchase order and any information related to the bidding process. We also found that there are American Rescue Plan Act funds that have yet to be financially obligated.

We recommend that County administration take steps to ensure County purchasing policies and procedures are adhered to on all purchases, and American Rescue Plan Act funds be obligated prior to the deadline of December, 31 2024.

SECTION II SCOPE AND METHODOLOGY

Scope & Objectives:

The purpose of this report is to provide Onondaga County administration with information and recommendations pertaining to the policies, procedures, and internal controls for American Rescue Plan Act projects. We selected 40 vouchers from a mix of SLFRF projects within the audited period of 1/1/2023 – 12/31/2023.

Our objectives were to:

- Obtain an understanding of the ARPA/SLFRF program, policies, and procedures.
- Evaluate and report on compliance with applicable laws, regulations, policies and procedures as outlined by the Treasury and associated compliance supplements.
- Evaluate and report on the effectiveness and efficiency of internal controls.
- Determine if funds were spent within program guidelines and the County's standard operating procedures.

Methodology:

In order to complete our objectives we:

- Reviewed laws, policies, procedures, SLFRF Compliance Supplement, and other requirements of the SLFRF program and the implementation of these by Onondaga County.
- Reviewed program expenditures, supporting documentation and, contracts.
- Tested selected vouchers to determine the effectiveness of established internal controls and compliance with SLFRF policies and procedures.
- Tested expenditures to determine if they were allowable costs under the limit of Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program funds and qualified to be used towards the "provision of government services."

- Tested applicable purchase requisition to determine the effectiveness of established internal controls and compliance with County procurement requirements.
- Reviewed documentation to ensure sub awards and contractors are not suspended, debarred or otherwise excluded pursuant to 31 CFR 19.300.
- Reviewed quarterly and yearly reports submitted to the United States Treasury Department.
- Compared submitted reports to the project’s financial information in PeopleSoft.
- Discussed draft findings and recommendations with County administrators for their input and evaluation.
- Finalized our findings and recommendations and included them in this report.

<p>SECTION III FINDINGS AND RECOMMENDATIONS</p>

Finding: We noted 1 of the 40 vouchers tested (#03376321 in the amount of \$10,750) did not follow normal purchasing procedures as there was no requisition or purchase order associated with the voucher. This voucher was approved for payment by the Deputy Director of Financial Operations, however no other supporting documentation or email was submitted to the Comptroller’s Office to justify this circumvention of established internal controls.

Recommendation: We recommend the Deputy Director of Financial Operations provide the needed information to justify and support the deviation from established payment controls to the Deputy Comptroller of Accounting for their review, consideration and ultimate approval. We further recommend responsible staff in the Comptroller’s Office are informed of this nuance and of the importance of performing their duties.

Finding: We noted that as of 7/31/2024, \$9,302,006.16 of the \$33,073,414.26 remaining American Rescue Plan Act budget had been encumbered leaving \$23,771,408.10 that has yet to be encumbered.

Recommendation: We recommend that action is taken to ensure that the remaining budget for all American Rescue Plan Act projects are financially obligated prior to the deadline of December 31st, 2024 in order to avoid losing out on funding.

SECTION IV MANAGEMENT RESPONSE

COUNTY OF ONONDAGA



DEPARTMENT OF FINANCE

DIVISION OF FINANCIAL OPERATIONS

John H. Mulroy Civic Center, 15th Floor

421 Montgomery Street

Syracuse, New York 13202-2989

(315) 435-2957 Fax (315) 435-3590

www.ongov.net

J. RYAN McMAHON
County Executive

STEVEN P. MORGAN
Chief Fiscal Officer

KRISTI SMILEY
Deputy Director of
Financial Operations

August 28, 2024

Mr. Martin Masterpole, Comptroller
Onondaga County Comptroller's Office
421 Montgomery Street, 14th Floor
Syracuse, New York 13202

Dear Mr. Masterpole,

I have reviewed your audit related to the American Rescue Plan Act Grant 2023. In response to the first finding it should be documented that in order to enhance our lead hazard identification infrastructure the County worked with the vendor to hold training course to build local capacity for lead inspectors. At the time the county did not have a lead trainer on contract, since this time a bid has been completed for these services.

In response to the second finding it is important to note that Finance Administration in collaboration with the County Executive's Office is finalizing a plan to obligate all funds prior to the deadline of 12/31/24. Administration is confident that all funds will be obligated in accordance with the American Rescue Plan Act guidelines. It is important to understand that the remaining budget in CNY Arts Film Incentive, Site Development and White Pine improvements is fully obligated at this time as we have executed contracts for these.

Sincerely,

A handwritten signature in cursive script that reads "Kristi Smiley".

Kristi Smiley
Deputy Director- Financial Operations

