



DATE: November 28, 2022
TO: Marlene Druga, Finance Director
FROM: Michelle Kennedy, Director
DEPT: Housing & Neighborhood Development
SUBJECT: FY2022 Emergency Rental Assistance Program Audit Response

The Housing & Neighborhood Development Department's (HNDD) Emergency Rental Assistance Program (ERAP), was audited for expenses in FY2022. Below outlines the response to the concerns identified by Cherry Bekaert, LLP.

Concern #1

“During ERAP testing, we noted that there were issues with the Salvation Army cases that the City had adopted following the termination of a contract between the City and the Salvation Army. We noted that the City had not reviewed all of the cases that they had adopted, but planned on doing so once the ERA 2 money is fully awarded to eligible individuals.”

Response: City staff are working towards closing out ERAP by September 30, 2025, based on the closeout timeline provided by the U.S. Department of the Treasury, and the expectation that all funding will be fully expended. All Salvation Army of Greensboro cases will be reviewed, and monitored by the closure of this program. City staff will take appropriate steps for any corrective actions that are needed as a result of the City's monitoring procedures.

Concern #2

“There was one out of sixty cases that was listed as being reviewed that had not been reviewed. This appears to have been an oversight.”

Response: The case in question was randomly selected for monitoring and the review was not completed. City staff will strengthen monitoring policies and oversight, to ensure all cases selected for review are completed and followed up on by both the Subrecipient, and City staff for finalization of the monitoring process.

Concern #3

“There were a few cases that related to FY2021 funding that were included in the population we selected for testing. The cases that we sampled that were for FY2021 tested without exception;



however, the City could not provide a detail that would only include cases reviewed for FY2022 versus FY2021 since reviews for both years occurred at the same time.”

Response: Some FY2021 cases were re-reviewed in FY2022 for the following reasons:

- 1.) ERAP leadership staff reviewed other City staff’s audit log notes, to ensure that all compliance metrics were reviewed, and appropriate notes were entered;
- 2.) As City staff received calls, emails, or any communication regarding a case (application), staff were required to review the case for current status or eligibility to determine how to proceed with the case, (reopen/close);

All cases that were re-reviewed within FY2022 were included on the overall monitoring tracking list, since technically they were reviewed within the Fiscal Year that was being audited. However, the Fiscal Year associated with a case file will be prominently marked if segregation of review files needs to be done for a particular year under the audit. The review of a case may span multiple years, as noted.

If you have additional questions, please contact Michelle Kennedy for more information.

MK/ea