



INTEROFFICE MEMORANDUM

DATE: February 22, 2022

TO: James McClinton, Director, Community Development

FROM: S. Renee Tidwell, County Auditor [REDACTED]

SUBJECT: Tarrant County Homeless Coalition Emergency Solutions Grant (ESG) COVID II

SUMMARY

The Auditor's Office performed routine monitoring to ensure that the Tarrant County Homeless Coalition (TCHC) has complied with federal requirements. During our monitoring, we observed TCHC employees used personal credit cards to reimburse the food catering vendor without adequate documentation. Furthermore, Community Development issued a monitoring letter to TCHC indicating the County was concerned regarding the delinquency of payment owed to a vendor. The TCHC primarily functions as a lead agency and Homeless Management Information Systems (HMIS) Administrator providing partner agencies with guidance and resources. Because TCHC did not have the necessary personnel and financial capacity to provide adequate programmatic oversight, Acclaim Physicians Group had not been paid approximately \$168,658.29 for eligible services rendered.

As a result, we expanded our review of expenses associated with the ESG COVID II grant, which funded the homeless emergency shelter operations related to the COVID-19 response. During our review, we observed that TCHC controls were not adequate to ensure that expenses incurred were valid and adequately supported. There was no documentation to support the number of meals requested or served. Using census data from the HMIS, we compared the number of meals invoiced to the individuals housed. Overall, the amount paid to the vendor appeared reasonable. However, we could not substantiate the total amount owed to the vendor based on the documentation provided by TCHC. We also observed that Community Development reimbursed TCHC \$3,750 in September 2021, without adequate documentation. TCHC did not reimburse the employee for charges made on his personal credit card until December 21, 2021.

Recommendations:

We recommend Community Development implement procedures to evaluate an agency's risk of non-compliance, including whether the agency had prior experience with the same or similar awards. For agencies with no prior experience, procedures should be developed to monitor activities and expenditures for compliance. We also recommend Community Development review their processes and procedures to ensure they are designed to detect noncompliance with federal requirements, including proof of payment for reimbursement basis grant awards.

Furthermore, we request Community Development notify the Auditor's Office when a federal agency is contacted for guidance on financial related matters. Please call me or Kim Buchanan with any concerns or questions.

Distribution: G.K. Maenius, County Administrator
Kristen Camareno, Assistant County Administrator
Janel Holt, Support Housing Manager
Lauren King, TCHC Executive Director