



Office of the County Auditor

Mary Modelski

Cook County Auditor

69 West Washington, Suite 840 • Chicago, Illinois 60602 • (312) 603-1500

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March 11, 2024

The Honorable Toni Preckwinkle, President
And Board of Cook County Commissioners
118 N. Clark Street, Room 537
Chicago, Illinois 60602

In accordance with the [Cook County Auditor Ordinance](#) and our 2023 *Audit Plan* we conducted a review of the American Rescue Plan Act (ARPA) Healthy Homes and Deep Energy Retrofit Residential Properties Grant #NT014. The overall objective was to review the monitoring process over the utilization of the funds and to assess if they are being used, as intended.

Our fieldwork was conducted from December 18, 2023, through February 5, 2024. The memo contains three observations.

We have discussed our conclusions and any observations we made over process improvements with the staff of the (County Department) and express our great appreciation for the cooperation that the staff extended to Flor Pineda of our staff. Since this is a review of the ARPA funds, the observations will not require a response and shall not be tracked within the Open Recommendation Report.

Respectfully Submitted,

Cc: Zahra Ali, Bureau Chief, Bureau of Administration



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MEMORANDUM

To: Zahra Ali, Bureau Chief, Bureau of Administration

From: Mary Modelski, County Auditor 

Subject: 2023 ARPA – Healthy Homes and Deep Energy Retrofit Residential Properties Program (NT014)

Date: February 23, 2024

Per the Fiscal Year 2023 Audit Plan, we conducted a review of the American Rescue Plan Act (ARPA) – Healthy Homes and Deep Energy Retrofit Residential Properties Program (#NT014).

Background:

The American Rescue Plan Act is a federal funded grant that was provided to state and local governments in March 2021. The American Rescue Plan Act will assist to build an equitable economic recovery for residents disproportionately impacted as the result of the COVID-19 pandemic. The grant is aimed to address homelessness, mental and behavioral health, food, insecurities, poverty, youth development, loss of revenue of small businesses and job loss and support communities and citizens in other vital economic and social areas.

A total of \$30,000,000.00 was allocated to fund program #NT014. In November 2022, a subrecipient agreement was signed by and between Cook County to act by and through its Department of Environment and Sustainability and Elevate Energy (Subrecipient) to administer the program. The projected program allocation of funds to Cook County and Elevate Energy (Elevate) was \$694,332.20 and \$29,305,667.80 respectively.

Project Overview:

Currently, children identified as having elevated blood lead levels are referred to the Cook County Department of Public Health (CCDPH) and families who qualify for services can receive free lead remediation at their residence. Some homes qualify for a Healthy Homes assessment in addition to the lead remediation services through a Housing and Urban Development funded program. To expand upon the benefits of existing programs, the Department of Environment and Sustainability (DES) has partnered with CCDPH and Elevate. Homes of participating families will undergo a comprehensive evaluation that assesses household threats and toxins, indoor air quality, energy efficiency, and water use. Families selected for full program participation will receive grant-covered household enhancements including services such as toxin removal, weatherization, deep energy retrofits, beneficial electrification, and water conservation measures to deliver the greatest cost savings and health improvements.

This program will also incorporate community engagement, outreach, and educational programming. This investment in residences will ultimately result in stronger and healthier communities. The program will be open initially to families who have already participated in the existing lead poisoning prevention programs through CCDPH. Additional opportunities will be available to other families that fall below the 120% Area Median Income.

Objectives:

The overall objective of the audit was to evaluate the monitoring process over the utilization of funds and to assess if funds are being used as intended. The period under review was June 1, 2022, to August 31, 2023.

Monitoring:

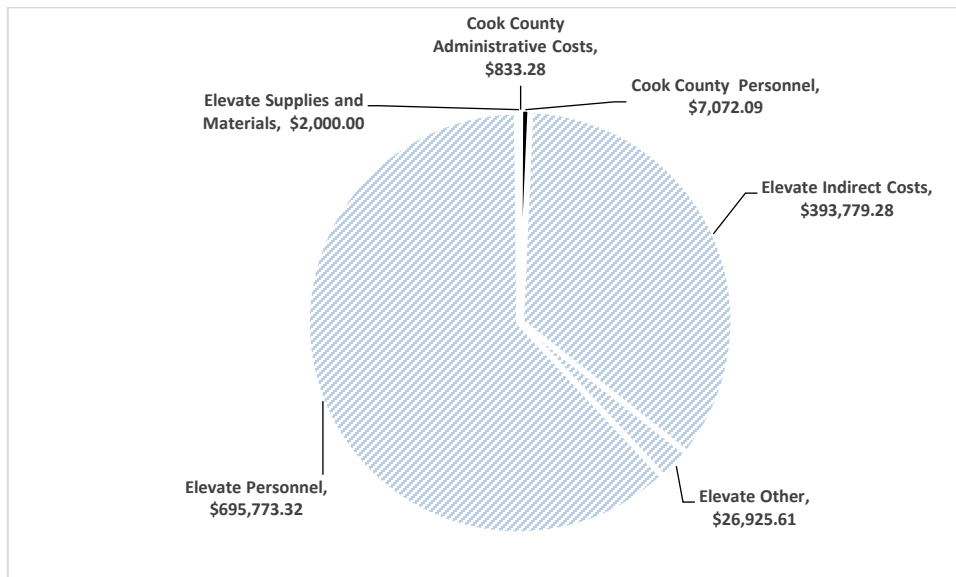
In order to monitor compliance with program award requirements, the County sets and monitors performance goals, indicators, targets, and baseline data. Subrecipients are required to track and report program-specific metrics on a regular basis. We obtained and reviewed program-specific metrics reports for the monthly periods of February to August 2023 noting that program specific metrics were collected and reported in compliance with the subrecipient agreement. Monthly meetings between DES and Elevate started in June 2022. However, performance metrics reporting did not start until the program was fully designed and implemented.

Financial:

Transactions in the DES Universal Financial Tracker for the Healthy Homes and Deep Energy Retrofit Residential Properties Program were evaluated and tied to Expense Summary Reports to substantiate the following information.

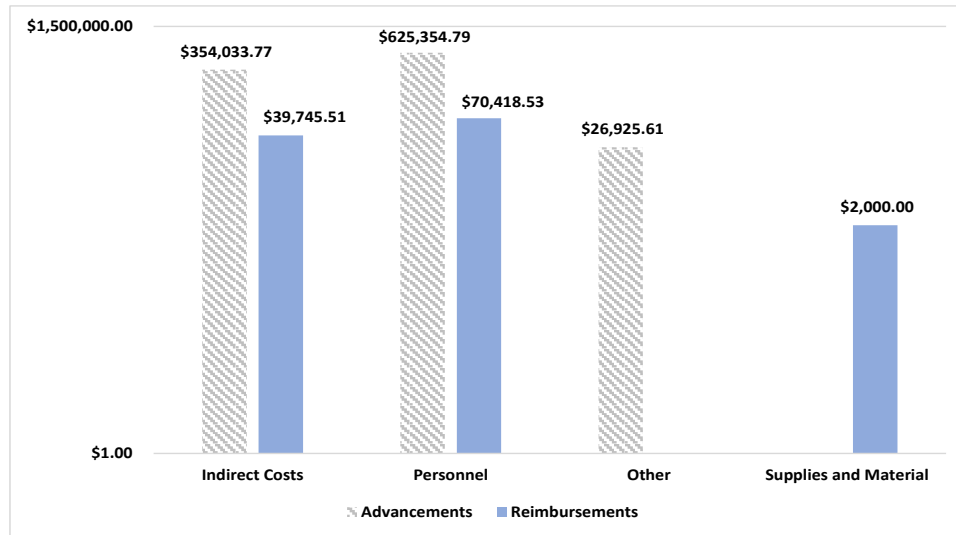
An advance of \$3,740,101 from the \$29,305,667.80 was issued to Elevate in February 2023. As of August 31, 2023, Cook County (\$7,905.37) and Elevate Energy (\$1,118,478.21) expended \$1,126,383.58. The detailed expenditures associated with Cook County and Elevate are reported in Figure 1. The Cook County expended amounts are drawdowns from the allocated \$694,332.20.

Figure 1: Expended Amount by Organization



The expended Elevate amount reflects the utilization of funds as an advancement (\$1,006,314.17) and reimbursement (\$112,164.04). The detailed utilization of funds as advancement and reimbursement are reported in Figure 2.

Figure 2: Elevate Expended Advancement and Reimbursement Totals



Audit Procedures:

The following procedures were performed to evaluate the adequacy of controls over the monitoring and financial processes:

- Obtained and reviewed a copy of the subrecipient agreement.
- Interviewed key personnel to gain a better understanding of the monitoring and financial procedures.
- Obtained access to the DES SharePoint where it housed monitoring and financial records for the Healthy Homes and Deep Energy Retrofit Residential Program.
- Reviewed DES-Elevate meeting notes for the monthly periods of June 2022 through August 2023.
- Reviewed the excel spreadsheet that Elevate uses for reporting performance metrics to DES as of February 2023.
- Verified that performance metrics were reported in compliance with the subrecipient agreement.
- Ran a financial analysis report through Oracle EBS to compare amounts reported in a DES generated financial analysis report.
- Reviewed expense summary reports to ensure that invoices were submitted in accordance with the subrecipient agreement.
- Compared expense summary report amounts against expense details in DES Universal Financial Tracker.
- Checked for transaction appropriateness in the DES Universal Financial Tracker.
- Verified that expenses in the DES Universal Financial Tracker did not exceed budget amounts outlined in the subrecipient agreement.
- Verified mathematical accuracy of spending and budget breakdown expenses in the DES Universal Financial Tracker Report.
- Reported on compliance with monitoring and fiscal reporting requirements.

Conclusion:

Based on applied audit procedures and inquiries with designated officers of the Department of Environment and Sustainability, we concluded that the controls in place to monitor the utilization of funds appear adequate.

Observations:

- 1) A \$2,000 Insight Public Sector Inc (Micro Computer Supplies) expense for a Cook County transaction was recorded as an Elevate expense in the DES Universal Financial Tracker.
- 2) The DES Transaction Analysis Report shows Elevate Invoice Number ADV-NT014-ELVT-001 for \$3,740,101.00 with an effective date of 1/13/2022. The subrecipient agreement was signed in November 2022.
- 3) Cook County expenses are reported as advances, instead of drawdowns, in the DES Universal Financial Tracker.



**COOK COUNTY
BUREAU OF
ADMINISTRATION**

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MEMORANDUM

To: Mary Modelski, County Auditor
From: Zahra Ali, Chief Administrative Officer
Re: Response to Audit Report of ARPA PROGRAM- Healthy Homes and Deep Energy Retrofits Residential Properties Program (NT014)
Date: March 1, 2024
CC: Deborah Stone, Director of the Department of Environment and Sustainability

The Bureau of Administration appreciates the opportunity to work with you to review the ARPA Healthy Homes and Deep Energy Retrofits Residential Properties Program (NT014). We affirm that the Auditor's Report accurately reflects the goals, objectives, monitoring, and financial processes of the program.

Please see the following responses to the observations noted in the report:

Observation 1) The drop-down menu choices have been updated. Please note that this error was only found in our internal tracking system; the financial records properly recorded the transaction.

Observation 2) We have recently added a Business Manager to our team whose function is, in part, to reduce errors in our ARPA reporting through increased review.

Observation 3) The document referenced was not created by DES, so we are unable to edit or otherwise modify it. However, it is our understanding that the document is in the process of being revised.

Please let us know if we can be of any further assistance and we appreciate the time and attention you have given to this matter.