



Lehigh County
Pennsylvania


OFFICE OF THE CONTROLLER

Mark Pinsley, MBA

COUNTY CONTROLLER

Nanton John, CFE

DEPUTY CONTROLLER

TO: Final Report Distribution
FROM: Mark Pinsley, County Controller 
DATE: April 10, 2023
RE: Agreed-Upon Procedures Audit – Special Grants Program

We have completed an agreed-upon procedures audit of the Lehigh County Department of Community and Economic Development to determine grantees' compliance to the Homelessness Prevention, Citizens Reentry Services, and Youth Violence Prevention grants. Our audit report number 23-10 is attached.

The results of our audit are included in the following pages of this report.

Attachment



**COUNTY OF LEHIGH, PENNSYLVANIA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
SPECIAL GRANTS PROGRAM**

*Independent Controller's Office Report on
Applying Agreed-Upon Procedures for Grantees' Compliance to the
Homelessness Prevention, Citizens Reentry Services, and Youth Violence Prevention Grants*

AUDIT REPORT NO. 23-10

**COUNTY OF LEHIGH, PENNSYLVANIA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
SPECIAL GRANTS PROGRAM**

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**COUNTY OF LEHIGH, PENNSYLVANIA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
SPECIAL GRANTS PROGRAM**

Background

The County of Lehigh allocated funds in the 2021 County Budget and through the American Rescue Fund to establish a Special Grants Program consisting of a Homelessness Prevention Grant Program, a Returning Citizens Reentry Services Grant Program, and a Youth Violence Prevention Grant Program. These Special Grant Programs were approved by the Lehigh County Board of Commissioners under Ordinances 2021-118, 2021-119, 2021-120, and 2021-122.

The Homelessness Prevention Grant Program was established to assist non-profit organizations serving County residents with programs they operate for the purpose of ensuring suitable living environments for families, assisting families with adequate housing, and the creation of economic opportunities for families.

The Returning Citizens Reentry Services Grant Program was established to assist non-profit organizations serving County residents with programs they operate for the purpose of reducing recidivism, increasing economic opportunity for participants, reducing bail and pre-trial supervision for non-violent crimes, and supporting pre-sentencing problem solving courts.

The Youth Violence Prevention Grant Program was established to assist non-profit organizations serving County residents with programs they operate for the purpose of reducing youth-related violence and developing a system of response to violence in a community.

Sources: Lehigh County Ordinances 2021-118, 2021-119, 2021-120, and 2021-122
Lehigh County Grant Agreements for: Homelessness Prevention Grant Program,
Returning Citizens Reentry Services Grant Program, and Youth Violence Prevention
Grant Program



Mr. Frank Kane, Director
Department of Community and Economic Development
Lehigh County Government Center
17 South Seventh Street
Allentown, PA 18101-2400

Dear Mr. Kane:

We have performed certain procedures enumerated below, which were agreed to by you, solely to review the administration and usage of the Homelessness Prevention, Citizens Reentry Services, and Youth Violence Prevention grants, herein referred to as the Special Grants Program. The grant recipients are responsible for the information to which these procedures were applied.

Procedures and Findings

1. **Procedure:** Verify the accuracy of Lehigh County payments to the Special Grants Program recipients.

Findings: Lehigh County Department of Community and Economic Development disbursed the proper amount to four sampled organizations for 50% of the approved grant funds upon contract execution, per the terms of the grant agreement. Zero of the four sampled organizations received the full awarded grant amount as of the agreement's initial expiration of the grant agreement.

2. **Procedure:** Verify that satisfactory expense documentation was received from grantees totaling the grant amount disbursed by Lehigh County.

Findings:

- a. Sample organization #1 was provided a grant extension until June 30, 2023. Therefore, no expense documentation was examined. Procedures included confirming that the initial 50% of the grant funds provided were retained in the organization's operating fund.



- b. Sample organization #2 received funding from two Special Grants Programs. For the Reentry program, \$17,033.50 in expenses was verified, leaving a remaining grant balance of \$27,230.10. For the Homelessness Prevention program, \$17,890.31 in expenses was verified, leaving a remaining grant balance of \$7,109.69. Audit procedures included confirming that the unused portion of grant funds provided were retained in the organization's operating fund.
 - c. Sample organization #3 received funding from two Special Grants Programs. For the Reentry program, \$6,414.50 in expenses was verified, leaving a remaining balance of \$15,717.25 of funds received. For the Youth Violence Prevention program, \$4,856.39 in expenses was verified, leaving a remaining balance of \$20,143.61 of funds received. The organization did not respond to requests for audit confirmation of unused funds in the organization's operating fund.
 - d. Sample organization #4 received funding from two Special Grants Programs. All expenses submitted for the Youth Violence Prevention program were verified and used for the purpose outlined in the grant within the period of the grant. For the Reentry program, \$37,730 in expenses was verified, leaving a remaining balance of \$12,270.
3. **Procedure:** Verify that grant objectives were achieved per the guidelines set forth in the grant agreements.

Findings:

- a. Sample organization #1 received a grant extension until June 30, 2023. Programming had not commenced at the time of the audit; therefore, no documentation was reviewed.
- b. Sample organization #2 provided adequate documentation to support the terms and objectives of the grant agreements.
- c. Sample organization #3 provided minimal documentation to review and audit procedures were unable to accurately validate compliance with the terms of the grant agreements.
- d. Sample organization #4 provided adequate documentation to support the terms and objectives of the grant agreements.

This agreed-upon procedures engagement was conducted in accordance with generally accepted government auditing standards and "Government Auditing Standards" as issued by the United States Government Accountability Office (GAO) and "Statements on Standards for Attestation Engagements" as issued by the American Institute for Certified Public Accountants (AICPA). The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures performed.

We were not engaged to and did not conduct an examination or a review of the subject matter, the objective of which would be the expression of an opinion or a conclusion, respectively, on compliance to the administration and usage of the Homelessness Prevention, Citizens Reentry Services, and Youth Violence Prevention grants. Accordingly, we do not express such an opinion or a conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Lehigh County Department of Community and Economic Development management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read 'M. Pinsley', with a long horizontal flourish extending to the right.

MARK PINSLEY
County Controller

March 27, 2023
Allentown, Pennsylvania

Audited by Bethany DiMatteo

xc: Phillips Armstrong, County Executive
Board of Commissioners
Edward Hozza, Jr., County Administrator
Timothy Reeves, Chief Fiscal Officer
Virginia Haas, Community Revitalization & Development Manager



COUNTY OF LEHIGH
Office of Community and Economic Development

Frank D. Kane
Director

Date: April 3, 2023

To: Nanton John, Deputy Controller

From: Frank D. Kane, Director, Community & Economic Development

Subject: Corrective Action Plan

The following are the corrective actions proposed:

- 1.) The administration is now in the process of scheduling meetings to go over the findings.
- 2.) At these meetings, findings will be reviewed and remaining deficiencies will be addressed.
- 3.) In most cases, this will be a simple closeout because all funding was adequately documented.
- 4.) The administration will discuss methodology and changes to operations with the subject organizations in order to better and more quickly comply with required documentation requests.
- 5.) The administration will accept feedback from subject organizations related to difficulties in the documentation process and other relevant items.
- 6.) The administration, through the Department of Community and Economic Development, plans to host one or more workshops, in-person and on-line, that may serve as a tutorial for grant recipients to more readily be prepared to provide necessary documentation.
- 7.) In rare instances in which adequate documentation has STILL not been provided, we will assess the problem and start with a new follow-up corrective action plan to address those deficiencies.

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