

December 4, 2020

The Honorable Richard W. West and
Members of the City Council
City of Chesapeake
City Hall – 6th Floor
Chesapeake, Virginia 23322

Dear Mayor West and Members of the City Council,

We have completed our review of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) for the period March 27, 2020 to September 30, 2020. Our review was conducted for the purpose of determining whether the City was providing oversight and compliance in an economical, efficient, and effective manner, whether CARES Act goals and objectives were being achieved, and whether the City was complying with applicable Federal, State, City, and Department guidelines.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

On June 9, 2020, the City Council approved an emergency appropriation of \$21,360,910, representing Chesapeake's allocation of CARES Act funding received from the State. The funds were intended to cover CARES act expenses during the period March 1, 2020 through December 30, 2020 directly related to City operation under Novel Coronavirus Disease 2019 (*COVID-19*). The City Council appropriated a second CARES Act State allocation of \$21,360,910 on September 8, 2020.

To conduct this audit, we reviewed and evaluated City and Department policies and procedures and operations documents and reports, both internal and external. We also reviewed applicable Federal and State laws, regulations, and guidance. We met with key individuals including the City's Project Manager for CARES Act Funding, Department Heads, Emergency Management staff, accounting staff, and various employees.

Based on our review, we determined the City had accomplished its overall mission of providing oversight of CARES Act funds in an economical, efficient and effective manner, was generally achieving its CARES Act goals and objectives, and was complying with applicable Federal, State, City, and Department guidelines. We did include one recommendation to help protect the City's interests in the event that future external oversight bodies choose to interpret certain payroll guidelines differently.

This report, in draft, was provided to City officials for review and response and their comments have been considered in the preparation of this report. These comments have been included in the Managerial Summary, the Audit Report, and Appendix A. City staff were very helpful throughout the course of this audit. We appreciated their courtesy and cooperation on this assignment.

Sincerely



Jay Poole
City Auditor
City of Chesapeake, Virginia

C: Christopher M. Price, City Manager
Dr. Wanda Barnard-Bailey
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