



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

MEMORANDUM FOR: St. Louis County, Missouri for a Disaster Occurring in 2022
(Allocations announced in the May 2023 Notice); Community
Planning and Development Field Office Directors, Deputy
Directors, Regional Directors, and Program Managers.

FROM: Bryan W. Horn, Acting Principal Deputy Assistant Secretary for
Community Planning and Development, D

SUBJECT: Internal Auditor Requirement (St. Louis County Only)

APPLICABILITY DATE: December 8, 2025

PURPOSE

This memorandum provides a waiver and alternative requirement permitting St. Louis County to apply the internal auditor provision of the Universal Notice to its CDBG-DR grant for a disaster occurring in 2022. This memorandum applies to the following CDBG-DR grant allocated to St. Louis County:

- 1) CDBG-DR allocation for a disaster occurring in 2022 funded by Pub. L. 117-180 and subject to the requirements published in the *Federal Register* at 88 FR 32046 on May 18, 2023 (the "May 2023 Notice").

WAIVER AND ALTERNATIVE REQUIREMENT AUTHORITY

With certain exceptions, the Appropriations Act cited above authorizes the Secretary to waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary, or use by the recipient, of grant funds. In particular, the Appropriations Act waiver and alternative requirement authority does not extend to requirements related to fair housing, nondiscrimination, labor standards, and the environment. The Department of Housing and Urban Development (HUD) (the "Department") may also exercise its regulatory waiver authority under 24 CFR 5.110, 91.600, and 570.5.

The Appropriations Act requires the Secretary to publish any waiver or alternative requirement either via the *Federal Register* or the Department's website no later than five days before the effective date of such waiver or alternative requirement. HUD is exercising its authority to publish this memorandum on the Department's website: [CDBG-DR Laws, Regulations, and Federal Register Notices](#).

The waiver and alternative requirement authorized in this memorandum is based upon a determination by the Secretary that good cause exists, and the waiver and alternative requirement is not inconsistent with the overall purposes of Title I of the Housing and Community

Development Act of 1974 (42 U.S.C. 5301 et seq.) (HCDA). The basis for the waiver and alternative requirement is summarized in this memorandum.

Waiver and Alternative Requirement to Adopt Internal Auditor Requirements from the Universal Notice (St. Louis County only)

Background

The Department received a request and justification of good cause from St. Louis County to waive the requirements established at section III.A.1.a.(6)(d) of the Consolidated Notice, as set forth in Appendix B and as amended by the May 2023 Notice, for its CDBG-DR grant for the 2022 disaster. This section requires grantees to demonstrate they have an internal auditor responsible for both programmatic and financial oversight, and that the grantee has adopted policies outlining the auditor's role in detecting fraud, waste, and abuse.

The County's waiver request aligns with the internal auditor requirements in the notice titled, *Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees: The Universal Notice*, published on January 8, 2025, at 90 FR 1754, as amended by Memorandums 25-02¹ and 25-03² (the "Universal Notice"). Specifically, section II.A.1.d.(iv) of the Universal Notice provides that for grants of \$100 million or more, the grantee must have or plan to employ an internal auditor with these responsibilities and policies in place.

St. Louis County's grant for the 2022 disaster totals less than \$100 million, which would not trigger the internal auditor requirement under the more recent standards outlined in the Universal Notice. Given this, the County asserts that applying the Universal Notice's internal auditor provision is appropriate for its grant. In order to protect the CDBG-DR investment, the grantee will appoint a county auditor that will be responsible for programmatic and financial oversight. Approval of the waiver is expected to conserve financial resources, reduce administrative burden, and streamline recovery efforts.

HUD's Determination

After reviewing St. Louis County's request and based on the good cause provided herein, the Department finds there is good cause to waive the internal auditor requirements at section III.A.1.a.(6)(d) of the Consolidated Notice, as set forth in Appendix B and amended by the May 2023 Notice, for the County's CDBG-DR grant for the 2022 disaster. As an alternative

¹ Memorandum 25-02, "Revisions made to the Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees: The Universal Notice published in the Federal Register (90 FR 1754) and Clarifications to the Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG-DR Consolidated Waivers and Alternative Requirements Notice Published in the Federal Register (90 FR 4759)," published on March 19, 2025. Found at <https://www.hud.gov/sites/dfiles/CPD/documents/CPDUniversalnotice.pdf>

² Memorandum 25-03, "Revisions made to the Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees: The Universal Notice published in the Federal Register (90 FR 1754)," published on March 31, 2025. Found at <https://www.hud.gov/sites/default/files/CPD/documents/CDBG-DR/3-31-2025UniversalNoticeChangesMemo.pdf>

requirement, the grantee is subject to the standard in section II.A.1.d.(iv). of the Universal Notice, which states that “if the grant size is \$100 million or more, the grantee has or will employ an internal auditor that provides both programmatic and financial oversight of grantee activities and will adopt policies that describe the auditor’s role in detecting and preventing fraud, waste, and abuse.” This alternative requirement applies only to the CDBG-DR funds allocated to the County in the May 2023 Notice. As a reminder, the County must still have adequate procedures in place to detect fraud, waste, and abuse. Additionally, the County must continue providing ongoing oversight and monitoring of subrecipients or developers, as applicable, to ensure compliance with all CDBG-DR requirements.

FOR FURTHER INFORMATION CONTACT

Gerilee W. Bennett, Acting Director, Office of Disaster Recovery, Department of Housing and Urban Development, 451 7th Street SW, Room 7282, Washington, DC 20410, telephone number 202–708–3587 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech and communication disabilities. Email inquiries may be sent to Disaster_Recovery@hud.gov.