



CARES Act Task Force Audit & Compliance Committee Meeting
Meeting Minutes – Thursday, December 17, 2020
1:00 p.m. Virtual Zoom Webinar

Attendance:

Committee Members Present: Co-Chair Bob Wasserbach (County Auditor), Co-Chair Michael Smith (NCC Chief Financial Officer), County Councilwoman Janet Kilpatrick, NCC Audit Committee Chair Martin Taylor, NCC Audit Committee Member Sharita Perkins and Tarik Haskins (Morris, Nichols, Arsht & Tunnell, LLP).

Committee Members Absent: None.

Others in Attendance: NCC Chief of Staff Aundrea Almond, County Solicitor Karen Sullivan, Assistant County Attorney Nicholas Brannick, E. David Barth (Grant Thornton), John Eldridge (Apothic Revenue), Debbie Ament (Apothic Revenue) and 3 other NCC staff members.

Proceedings:

- Meeting was called to order at 1:01 p.m. by Committee Co-Chair Bob Wasserbach.
- Councilwoman Janet Kilpatrick made a motion to approve the minutes from the last meeting, which was seconded by Co-Chair Michael Smith. The minutes were approved unanimously.
- Co-Chair Wasserbach shared the Risk Analysis document for the Delaware State University (DSU) grant. He said that due to the high dollar amount and nature of the grant (construction of a lab which will require close monitoring), the DSU grant is being considered a “high risk” grant. It will require both a desk review(s) and a site visit(s). The Office of Finance would do its own risk review of DSU’s Single Audit reports for the past 3 years and determine whether there have been any deficiencies that could have a negative effect upon DSU’s ability to administer its grant in accordance with federal laws and regulations.

Co-Chair Smith said that Grant Thornton would be assigned the risk analysis. He added that the grant to the DSU is no longer an upfront grant, but has become a reimbursement process instead. This gives the County more control over the process.

Aundrea Almond gave a status update on the DSU grant. She said that a Certificate of Occupancy has already been issued and required equipment has arrived. Also, hiring and training for the use of the

equipment has been completed. The next step is to perform validation testing, which would be done the following week. Councilwoman Janet Kilpatrick added that progress is visible in the setting up of the lab. Also, DSU has received a \$20 million donation recently from philanthropist Mackenzie Scott. Co-Chair Smith also informed the committee that a detailed award letter has been sent to DSU which states the terms of the grant.

Co-Chair Wasserbach asked the committee members whether they had any objections to adding the Risk Analysis document for DSU to the Subrecipient Monitoring Policy. There were no objections.

- Co-Chair Wasserbach then invited John Eldridge from Apothic Revenues to provide an update. Mr. Eldridge said that things have been very busy at Apothic and they have been inundated with requests to extend the 12/30 deadline. They have in turn been telling the grantees that the extension is up to Congress. Most of the organizations were moving along well and over a dozen have already submitted workbooks and supporting documents. Along with invoices, organizations are being asked to submit proof of payment. Councilwoman Kilpatrick inquired whether Apothic is continuing to see the issues reported in the last meeting. Mr. Eldridge replied that things have become better. Co-Chair Wasserbach asked Grant Thornton whether there is anything in the CRF guidance about extenuating circumstances if items are not received by 12/30. David Barth replied that unfortunately there is no such leeway. Co-Chair Smith added that at this point organizations are past the date of supply chain delay issues – e.g., they couldn't place an order on 12/29 knowing that it would not be received by 12/30. Co-Chair Wasserbach said that Belvedere had recently placed a request for an ambulance with a decontamination unit. Co-Chair Smith replied that he has noticed that some recent requests have been substantially higher than the initial allocation. But the County has to be fair to all and will not be entertaining requests for ambulances at this time. Salary-related submissions, such as the one from the Hockessin fire company, are more reasonable.

Co-Chair Wasserbach asked John Eldridge and Debbie Ament if they had anything else to discuss. Mr. Eldridge said that the Winter Ready Restaurant grant program is progressing very well. He has been asked by some of the large organizations whether the County had a checklist to prepare for a Single Audit. Co-Chair Smith replied that since the County knows what federal grants it passes to an entity, it could be possible for the County to know if a Single Audit would get triggered for the organization based on federal grants from the County. Co-Chair Wasserbach said that this would need further discussion and should be taken up offline.

- Co-Chair Wasserbach brought up the subrecipient monitoring of funds given to the State of Delaware. He informed the committee that he had a call on this with Co-Chair Smith and Grant Thornton, following which he had reached out to Bert Scoglietti from the State's Office of Management and Budget (OMB). He is waiting to hear back.

Co-Chair Smith added that he could also try to get information from other contacts in the State. For example, he recently met with representatives from the Delaware State Housing Authority (DSHA) on Delaware Housing Assistance Programs. Also, Damian DeStefano from the Division of Small Business could be contacted for the small business programs.

Co-Chair Wasserbach asked about the 3 Memoranda of Understanding (MOU) with the State. Co-Chair Smith said that they are in the hands of the State officials. There is no document yet on DSHA as the County's portion is not yet known.

- The next topic of discussion was the Fiscal Year 2020 Single Audit. Co-Chair Wasserbach provided a brief background on the Single Audit to be performed by the County's external auditors – CliftonLarsonAllen (CLA). He informed the committee that his office has been performing testing of CRF expenditures and providing feedback to the Office of Finance. Currently, CLA is awaiting guidance from the Treasury's Office of Management and Budget (OMB) on the CRF program's Single Audit.

Co-Chair Wasserbach informed the committee that, for FY2020, most of the CRF expenditures were internal expenditures like public safety salaries and benefits. The only grant expenditure to be covered in the FY2020 Single Audit is the \$500,000 grant to the Delaware Community Fund (DCF). The other grant expenditures will be covered under the FY2021 Single Audit.

- Next, Co-Chair Wasserbach asked the committee members for their availability for the next meeting in January 2021. Councilwoman Kilpatrick said that by January 14th, they would have more information on wrap-up of the CRF programs. Co-Chair Smith said that the County has a 3-month period to wrap-up the reimbursement of CRF expenditures, though the expenses still have to be by 12/30. He is looking at January 15th as a soft date for wrapping up CRF expenditure reimbursements. So, it was decided that the next meeting would be held on January 14th, 2021 at 1:00 p.m.
- Co-Chair Wasserbach said that there were two other items that needed to be discussed. First, he brought up allowable meal expenditures and asked about the GSA per diem rate. David Barth said that the GSA per diem rate is usually the federal standard used for reimbursing meal expenditures. It doesn't allow reimbursements for alcohol. Then Lynne McIntosh, who works on Co-Chair Wasserbach's team, brought up reimbursement of accrued vacation. She asked whether the CRF could be used to reimburse vacation time accrued, but not used, by employees due to the COVID emergency. Co-Chair Smith replied that he is working with the municipalities on this. Public safety employees could not be given much vacation time during the COVID pandemic as they are essential employees; hence, their accrued leave would be covered. He said that generally, if an employee was denied vacation due to the COVID emergency, the accrued vacation would be covered. He added that Grant Thornton has been assigned to look at the volunteer fire companies' reimbursement requests.

- Councilwoman Kilpatrick made a motion to adjourn, which was seconded by Tarik Haskins. The meeting was adjourned at 1:37 p.m.