



CARES Act Task Force Audit & Compliance Committee Meeting
Meeting Minutes – Thursday, February 25, 2021
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 and Tarik Haskins (Morris, Nichols, Arsht & Tunnell, LLP).

Committee Members Absent: NCC Audit Committee Member Sharita Perkins and NCC Audit Committee Chair Martin Taylor.

Others in Attendance: NCC Chief of Staff Aundrea Almond, Assistant County Attorney Nicholas Brannick, Joe Simon (Grant Thornton), Nazrine Khan (Grant Thornton), Dave Barth (Grant Thornton), John Eldridge (Apothic Revenue), Debbie Ament (Apothic Revenue) and 4 other NCC staff members/members of public.

Proceedings:

- Meeting was called to order at 1:02 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 Tarik Haskins. The minutes were approved unanimously.
- Co-Chair Wasserbach invited Aundrea Almond to provide an overview of the recently announced National Health Corps Delaware program which would be operated using the CARES Act funds. Aundrea Almond said that the National Health Corps program was one of the many national service programs under the AmeriCorps umbrella. She said that the intention is to hire up to 20 “members” who would be providing service at community-based or health-based organizations located in New Castle County with the express intent to having them do COVID19 response activities. The budget overall is a bit shy of a million dollars. Currently, interviewing is going on for a Program Director who would be a contractor to the County. Then a Program Coordinator and 20 members would be hired. Also, applications are being received for the host sites. Ideally, the program will be launched in April with the 20 members on board. Co-Chair Wasserbach asked whether the funds for the program were going to be spent internally by New Castle County or were they going to a third-party to administer. Ms. Almond replied that New Castle County would be acting as the operating site for the program and would be paying the National Health Corps a fee for the opportunity and their expertise with running the program, and would utilize a third party for managing payroll for the program. Co-Chair

Wasserbach then asked whether the County would be paying for the program till the end of calendar year 2021, and Ms. Almond said yes.

- John Eldridge from Apothic Revenues provided an update on the subrecipient monitoring of CRF grantees. He said that Apothic Revenues had closed or was in the process of closing 38 (accounting for about \$2 million in grant money) of the 311 (just under \$23 million) grant recipients. Food grantees have been the most responsive in closing out, while Health Equity grantees have been the most responsive in terms of providing documentation. He pointed out that 10 of the grants account for about \$7 million or about 31% of the total grant amount provided. With the approaching deadline, submission of documents to Apothic has picked up and Mr. Eldridge expected to see a significant increase in activity in the next month. He also added that only 2 organizations have requested an extension to the March 31st deadline. Councilwoman Kilpatrick clarified whether one of those organizations was one whose core activities occurred during the winter, and John Eldridge replied yes. Co-Chair Wasserbach inquired what “closed out grants” meant. John Eldridge replied that it meant that for these grants desk reviews had been done, site visits had been completed if necessary, everything has been documented and all the expenditures have been reconciled to the workbook. Debbie Ament added that back and forth with the grant recipients is what takes a lot of time. Councilwoman Kilpatrick said that it was better to take time and do it right.
- Joe Simon from Grant Thornton provided an update on progress made at their end. He said that documenting the CFO’s policies and procedures was going along well. They would be meeting with IT staff to document NCC’s system controls next and hopefully this would be done by mid-March. To ensure that the County is covered for funds given to the State, Grant Thornton is requesting subrecipient monitoring policies from the State. Grant Thornton is also assisting the County in accessing FEMA funds; the first target is to get the County reimbursement for Personal Protective Equipment (PPEs). Also, Grant Thornton is reviewing post-grant payment expenditures of the Donors Choose program to ensure that the funds were expended according to the CRF requirements. Mr. Simon also went over the status of the municipal and fire company reimbursement requests through the different steps in the Grant Thornton review process. Reviews of 13 requests have been fully completed so far. Co-Chair Michael Smith added that Grant Thornton is also reviewing (or will be reviewing) the Delaware State University (DSU) reimbursements, Hope Center expenditures and internal expenditures by the County’s departments to ensure that appropriate documentation is available to support these. Councilwoman Kilpatrick asked if all the entities are aware of the March 31st deadline. Joe Simon replied yes, all the entities had been told about the deadline. Co-Chair Smith noted that the fire companies were making multiple submissions to meet their allocation. So, he said that the plan was to get all the municipal and fire company submissions in by March 31st and complete reviewing the submissions by the end of the FY2021 fiscal year. Co-Chair Wasserbach asked if apart from the National Health Corps program would any internal New Castle County expenditures continue

after the end of FY2021. Co-Chair Smith responded that the plan was fluid right now because things were still being worked out with the State, there are things coming downstream like the County would like to continue COVID19 testing sites, and there is uncertainty about additional stimulus money coming to the County. So, he wasn't sure when CARES was going to end and when FEMA would take over and how any new stimulus program would work. Co-Chair Wasserbach then asked Mr. Simon whether apart from reviewing the State's subrecipient monitoring policies for adequacy, Grant Thornton would also be reviewing some of the State's subrecipient monitoring. Mr. Simon replied that the County's responsibility ended with reviewing the State's subrecipient monitoring policies. Grant Thornton would not be looking at anything apart from the State's subrecipient monitoring policies unless there were questions on the adequacy of those policies. Co-Chair Wasserbach then asked whether Grant Thornton was reaching out to all the State agencies separately for their subrecipient monitoring policies. Co-Chair Smith replied that he was providing Grant Thornton with the contact information for each of the State agencies as well as reaching out to them himself. There are contacts in the OMB for some while the Directors of Delaware State Housing, Division of Small Business, etc. are contacts for others. Also, the expense amounts for some of the programs, like \$10 million for the DE Relief grants, are still being worked out, while some MOUs need to be finalized and funds need to be released. Co-Chair Smith is also waiting for documentation from the Delaware State Housing Authority to see where we are at County-wide for the housing assistance program.

- Co-Chair Wasserbach brought up the next item on the agenda – Letter to the County Administration on the Audit & Compliance Committee. He shared with the committee that the Administration was not requesting any reports from the Audit & Compliance Committee.
- Councilwoman Kilpatrick asked whether the County had a process for allocating any additional funds received in the future. Co-Chair Smith responded that any funds received in the future would be a separate funding source which would probably have its own guidelines. For example, he had heard some discussion that the new funds would be allowed to cover revenue loss, but he did not know how revenue loss would be defined yet. Councilwoman Kilpatrick agreed saying that a lot of definitions are unknown, another example being the broad term “negatively impacted”. Co-Chair Smith also noted that it would be important to determine what assistance would be covered federally so that the County could use its funding for what was not covered federally. He also mentioned that for the few grants that were taxable, the County was issuing 1099-Gs. This was new for the County as the County had never dealt with taxable grants before.
- Co-Chair Wasserbach asked if there were any other questions. There were none. The committee then agreed tentatively to meet next on Thursday, March 25th, 2021 at 1:00 p.m. The meeting ended at 1:38 p.m.