



CARES Act Task Force Audit & Compliance Committee Meeting
Meeting Minutes – Thursday, March 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 NCC Audit Committee Chair Martin Taylor.

Committee Members Absent: NCC Audit Committee Member Sharita Perkins and Tarik Haskins (Morris, Nichols, Arsht & Tunnell, LLP).

Others in Attendance: NCC Councilman Dave Carter, NCC Chief of Staff Aundrea Almond, Assistant County Attorney Nicholas Brannick, Joe Simon (Grant Thornton), Nazrine Khan (Grant Thornton), Dustin Hinkel (Grant Thornton), Dave Barth (Grant Thornton), John Eldridge (Apothic Revenue), Debbie Ament (Apothic Revenue) and 2 other NCC staff members/members of public.

Proceedings:

- Meeting was called to order at 1:02 p.m. by committee Co-Chair Bob Wasserbach.
- Since there wasn't yet a quorum of committee members to approve the previous meeting's minutes, Co-Chair Wasserbach invited John Eldridge and Debbie Ament from Apothic Revenues to provide the committee with an update on their subrecipient monitoring of the grant programs.
- Mr. Eldridge said that about half a dozen organizations have requested Apothic for extensions to the 3/31 deadline for submitting documentation. He and Ms. Ament said that some organizations are approaching various NCC officials for these extensions and Apothic finds out about it later. Councilwoman Janet Kilpatrick asked whether those organizations approaching County officials for extensions are outside the six Mr. Eldridge had mentioned. Mr. Eldridge said "yes" and gave an example of an organization which told Apothic it had already been given an extension till November. Councilwoman Kilpatrick asked about the process for informing Apothic about extensions approved by County officials. Co-Chair Michael Smith explained that if organizations meet the criteria for extensions, they are approved for an extension and then either Apothic or Grant Thornton is notified about it (depending upon which one has subrecipient monitoring responsibility). Councilwoman Kilpatrick said that it was important to communicate the extension decisions to Apothic or Grant Thornton. Co-Chair Wasserbach asked whether Apothic and Grant Thornton have the ability to grant extensions. Mr. Eldridge replied that it is the NCC

Administration that grants the extensions. Co-Chair Smith explained that organizations provide the reason why they are seeking an extension and, if after review, the request seems compelling, NCC will grant an extension. However, there aren't too many cases of organizations seeking extensions. Councilman Dave Carter asked whether the subrecipient organizations have been provided with standardized guidance on extensions, etc. He said that this would ensure that everyone is being treated fairly. Councilwoman Kilpatrick replied that there are guidelines on deadlines, etc. which have been communicated to the organizations through contracts and letters.

Co-Chair Wasserbach asked if an organization submits its documentation by the March 31st deadline, and such documentation is deemed to be inadequate, would the organization still be considered to have met the March 31st deadline? Co-Chair Smith said that the intent has been to give the organizations till March 31st to expend their funds and then April-June would be the winding down period. Co-Chair Wasserbach asked what would happen if an organization did not submit any documentation by March 31st, would it be required to return its funds. Co-Chair Smith said that NCC would continue to follow-up with the organization and if the organization was completely unresponsive, then the County would need to make a decision. But, he noted, such a situation has not arisen yet.

- Mr. Eldridge continued with his update. He said that of the 311 grants, 70 are either closed or in the process of being closed, which is about \$3 million of the \$18.6 million given. He explained that these numbers would be in flux for some time because some "in-closing" grants might move to "in-process" if it is found that some documentation is missing. Of all the grant types, the Health Equity grantees have been the most responsive (with closing at almost 50%), whereas the Innovation and Distance Learning grantees have been the least responsive.
- A little over 200 organizations still need to provide documentation, although that does not mean that Apothic has not been in contact with these organizations. These organizations still have 3 months to expense the funds. Some of the organizations got creative with the use of their funds and are waiting for last minute contract work, etc. Mr. Eldridge said that, based on their communication with these organizations, it seems that the majority of these organizations will be able to meet the deadline. Co-Chair Wasserbach asked whether Apothic has seen any cases where an organization has not spent its money the way it said it would. Mr. Eldridge said that while they have questioned some of the expenditures, the items have not been material.
- Co-Chair Wasserbach invited Grant Thornton to provide a status update on their projects. Joe Simon shared a report giving a summary of the status of various projects. The report listed 8 projects currently being worked on by Grant Thornton.

- Policies and Procedures Manual: This activity is coming along well with most interviews with stakeholders having been completed.
- Internal Audit Concerns: Grant Thornton is documenting the concerns include in memorandums issued by the County Auditor's Office and ensuring these concerns are addressed.
- State of Delaware Project: Grant Thornton is waiting for subrecipient monitoring policies from the State for the CRF transfers made to the State.
- FEMA Reimbursement Program: Grant Thornton has identified 4 FEMA reimbursement groups: PPE, non-congregate sheltering, COVID testing and vaccinations. Grant Thornton is currently working on the PPE reimbursement request.
- Delaware State University Lab: Testing of lab expenditures is almost complete.
- Delaware Community Foundation Grant: Grant Thornton was will probably be doing the subrecipient monitoring for this.
- Donors Choose grant: Grant Thornton is selecting a sample for review.
- Municipality and Fire Company Reimbursement Requests: Dustin Hinkel provided an update on this. He shared a report that showed 53 reimbursement request reviews have been completed, while 6 are in the leadership review stage and 12 are in the manager review stage.

Joe Simon asked whether there were any questions from the committee members. There were none.

- Councilwoman Kilpatrick shared with the committee that New Castle County has been recognized by the National Association of Counties (NACO) and the National Academy of Public Administration (NAPA) as one of the six best counties for the distribution and handling of CARES Act funds; the County's partnership with the State was one of the highlights of the award. She thanked everyone in the meeting for their efforts in making it a smooth process.
- Co-Chair Wasserbach noted that committee member Martin Taylor had joined the meeting and there was therefore a quorum to approve the minutes from the previous meeting. A motion was made to approve the minutes and the minutes were approved unanimously.
- Co-Chair Wasserbach asked if there were any other questions. There were none. The committee agreed to meet next on Thursday, April 22nd, 2021 at 9:00 a.m. The meeting ended at 1:33 p.m.