



**CARES Act Task Force Audit & Compliance Committee Orientation Meeting**  
**Meeting Minutes – Wednesday, August 19, 2020**  
**10:00 a.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 Administrative Officer Vanessa Phillips, NCC Chief of Staff Aundrea Almond, County Attorney Wilson Davis, County Solicitor Karen Sullivan, Community Services Manager Carrie Casey, Assistant County Attorney Nicholas Brannick, E. David Barth (Grant Thornton), Jeff Stefan (Grant Thornton), Christian Fuellgraf (Grant Thornton) and 5 other NCC staff members.

**Proceedings:**

- Meeting was called to order at 10:01 a.m. by committee Co-Chair Bob Wasserbach.
- Councilwoman Kilpatrick made a motion to approve the minutes from the last meeting which was seconded by Co-Chair Smith. The minutes were approved unanimously.
- Co-Chair Bob Wasserbach informed the committee that the accounting firm Grant Thornton had been engaged in an advisory capacity to help prepare the County for the Single Audit of its Federal programs for both FY 2020 and FY 2021. The Single Audits will be performed by the County's external auditor, CliftonLarsonAllen LLP.
- Representatives from Grant Thornton gave a brief overview of subrecipient monitoring for Federal grants. Jeff Stefan emphasized that since most of the County's Coronavirus Relief Fund (CRF) funds will pass through to other entities, the focus should be on subrecipient monitoring. While some subrecipients (such as City of Wilmington and City of Newark) may be able to provide Single Audit reports, others may need more monitoring. The Compliance Supplement relating to the CARES Act CRF program is slated to come out in September 2020, which would give a clearer picture of what will be audited for CRF funds. David Barth added that CARES Act CRF compliance is an evolving situation with the Treasury having issued updated Frequently Asked Questions (FAQs) recently.
- Co-Chair Bob Wasserbach said that the County needed to develop Policies and Procedures (P&P) for subrecipient monitoring of the CRF funds. He noted that the County departments of Community Services and Public Safety already have experience with subrecipient monitoring as they work with

Federal funds. Bob invited Carrie Casey from the Department of Community Services to share her thoughts.

- Carrie Casey said that the Department of Community Services took a very conservative approach to ensure compliance, and they are audited every year by the County's external auditors and every few years by HUD. As an example, the department is involved in subrecipient monitoring of its CDBG program, which is solely a reimbursement program, including performing ongoing monitoring and onsite audits.
- Councilwoman Janet Kilpatrick wondered if in the interest of time, the County should just adopt the process that the Community Services department already has in place. Co-Chair Wasserbach said that it would be best to first review the Community Services and Public Safety P&P regarding subrecipient monitoring and then develop a policy particular to the nuances of the CRF funds. Councilwoman Kilpatrick agreed that it would be better to get it right in the front-end; the end goal is to not have to refund any Federal dollars. Co-Chair Michael Smith also pointed out that the Community Services policy only addressed reimbursements, while there may be advance funding involved in the case of some of the CRF grant programs. Also, some of the smaller municipalities and fire companies have requested pre-approvals, as they may have little money in their budget to obtain certain Coronavirus-related necessary goods and services.
- Next, Co-Chair Michael Smith gave a brief overview of the County's approval process for municipalities and fire company requests for CRF funds. The process begins with the municipalities and fire companies first certifying that the funds will be used per the requirements of the CARES Act. Once the certification is completed, authorized personnel from the municipalities and fire companies get access to the County's CRF website and application form. When an application comes into the County's Office of Finance, there are four possible outcomes – approved/denied/additional information requested/sent for legal review. Once an application is approved, it goes to another area in Finance for payment. For pre-approvals, follow-up documents are required within a specified time.
- Then Chief of Staff Aundrea Almond provided the committee with an update on recommendations from the five Task Force committees. In her presentation, Aundrea noted that there were certain areas of overlap between some committees and that decisions have not been made on certain recommendations. To implement some of the recommendations, changes in Federal guidelines may be needed; for example, recommendations for a loan program could not currently be implemented. When asked for a timetable on the final recommendations, Aundrea replied that while many decisions would be made and announced within the next week, uncertainties at the Federal level may delay some decisions and ultimately some recommendations may not be feasible.
- Councilwoman Janet Kilpatrick asked whether as decisions are made, they would be presented to Council or would they be a part of a bulk ordinance. Co-Chair Michael Smith responded that there would be an ordinance appropriating the rest of the CRF funds received by the County to the Grants and Fixed Charges line item. Councilwoman Kilpatrick then inquired as to how Council Members could make requests for grants from the CRF funds. Co-Chair Michael Smith replied that per State law, all

grant requests need to come through the County Executive. Councilwoman Kilpatrick pointed out that it needed to be made clear to the Council Members that all grant requests should come from the Administration, as some Council Members were considering requesting grants.

- In conclusion, Co-Chair Bob Wasserbach said that committee members would be provided the Community Services and Public Safety policies and procedures on subrecipient monitoring, and the committee could meet in a couple weeks to come up with a subrecipient monitoring policy for the CRRF funds. Councilwoman Kilpatrick suggested that rather than all committee members individually reviewing the Community Services and Public Safety P&P and trying to come up individually with a subrecipient monitoring policy, it would be best if they were provided a policy draft to comment on. Other committee members agreed, and committee member Tarik Haskins pointed out that the Compliance Supplement to be issued in September should be covered in the P&P too. Councilwoman Kilpatrick agreed and said that the document created should be treated as a living document that would incorporate Federal guidelines.
- Co-chair Bob Wasserbach suggested that the next meeting of this committee take place on Wednesday, September 2<sup>nd</sup> at 10 a.m. All committee members confirmed their availability.

**Public Comment:**

- There were no comments from the public.

**Adjournment:**

- Co-Chair Michael Smith made a motion to adjourn the meeting, which was seconded by Councilwoman Janet Kilpatrick. The meeting was adjourned at 10:56 a.m.