



**CARES Act Task Force Audit & Compliance Committee Meeting**  
**Meeting Minutes – Wednesday, September 29, 2021**  
**11:00 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 member Dr. Karl Brockenbrough, Tarik Haskins (Morris, Nichols, Arsht & Tunnell, LLP) and NCC Housing Management Analyst Nicole Waters.

**Committee Members Absent:** NCC Audit Committee Chair Martin Taylor.

**Others in Attendance:** NCC Chief of Staff Aundrea Almond, Ben Morris-Levenson (NCC ARPA Coordinator), NCC Deputy Chief Administrative Officer Erik Raser-Schramm, Assistant County Attorney Nicholas Brannick, Dustin Hinkel (Grant Thornton), John Eldridge (Apothic Revenue), Debbie Ament (Apothic Revenue) and 2 other NCC staff members/members of public.

**Proceedings:**

- Co-Chair Bob Wasserbach started the meeting at 11:02 a.m.
- Councilwoman Kilpatrick made a motion to approve the minutes from the last meeting. The motion was seconded by Dr. Karl Brockenbrough. The minutes were approved unanimously.
- John Eldridge and Debbie Ament from Apothic Revenue provided an update on the subrecipient monitoring of grants by them. Mr. Eldridge shared his screen to show a chart on the progress made. Mr. Eldridge said that in September, many Food Distribution and Winter Ready Restaurant grants were closed. The chart showed that overall there were more grants “in closing” than had been closed. Grants in closing have additional documentation pending.
  - Innovation grants: A large majority are still in closing; only 17% of the total amount of Innovation has been closed. Mr. Eldridge said that once a \$2 million Innovation grant is closed, the % would jump to 50%. He also noted that there are many Innovation grants on extension. Co-Chair Smith suggested that it might be better to report by the number of grants rather than by the amount of grants. Mr. Eldridge agreed and said that for Innovation grants, 9 grants had been closed while 14 were in review, making up the 82% of the grants either closed or in closing (there are 28 Innovation grants); the remaining grants are on extension. Co-Chair Wasserbach inquired whether the grants on extension had provided any documentation so far. Mr. Eldridge replied

that some of the grants had provided some documentation and that Apothic was starting to contact the grants on extension. Co-Chair Wasserbach asked if a specific extension date had been given to all the grants, or did different grants have different dates. Mr. Eldridge said that they were given different dates.

- Health Equity grants: There are 54 Health Equity grants in total with 38 in review and 12 being closed. In terms of amounts, 83% are closed, in closing, or in review. For some of these grants with ineligible expenses, Apothic is trying to see if there are other eligible costs that can be covered under CRF. Co-Chair Wasserbach asked about the difference between “in closing” and “in review” in the chart. Mr. Eldridge replied that “in review” grants have provided some documentation but are nowhere near being closed.
- Food grants: Of the 34 Food Distribution (FD) grants, 24 have been closed. In dollar terms, 78% of FD grants have been closed and 99% are either in closing or closed. The amounts of these grants range from a couple thousand to up to ten thousand.
- Winter Ready Restaurant grants: 83 of 100 Winter Ready Restaurant grants have been closed. By dollar amount, that comes to 89% closed and 91% either closed or in closing. 5 grants are on extension. Mr. Eldridge said he had to meet with a restaurant owner to explain what expenses are eligible. He noted that restaurants are short staffed and are having difficulty finding staff.
- Distance Learning grants: A number of these grants had been under extension until the end of the summer and Apothic is now receiving documentation from these. Of the 108 grants, 66 are in review and 13 have been closed.

Mr. Eldridge said that overall, by amount, 30% of grants are closed and 90% are in review, in closing, or closed. Of the 324 total grants, 141 have been closed.

Councilwoman Kilpatrick asked what the “hook” is when a grant recipient is not responding. Mr. Eldridge said that if recipients did not respond, they could be asked to return the money and it could also affect any future grants made to the entity. Councilwoman Kilpatrick inquired what was the County’s legal recourse in such cases. Co-Chair Smith replied that once a final request for returning the grant funds had been made, the County’s Law Department would get involved.

Mr. Haskins asked what the percentage of grant recipients is that Apothic has not heard anything back from. Mr. Eldridge replied that about half a dozen recipients have truly not responded.

- Dustin Hinkel from Grant Thornton (GT) provided an update on the work being done by GT.
  - Fire Companies and Municipalities – GT has completed reviews of more than 72% of the 342 municipal and fire company requests. This accounts for about 80% of the dollar amount requested. 38 applications are in “RFI sent” status which represent 11% of the requested funds. GT does not let more than 7 days go between contacting applicants with outstanding

requests. For the second phase of funding to volunteer fire companies, reviews of about 30% of the applicants have been completed and another 17% are in the quality control phase of the review process.

- Internal Transactions – GT has built out a population of about \$19 million in internal CRF costs and about 70% of those have been reviewed for eligibility. Mr. Hinkel that GT has seen remarkable cooperation on both internal NCC costs as well as the second round of funding requests from fire companies.
- State Transfers – Mr. Hinkel noted that for the CRF funds given by the County to the State, the State is considered a subrecipient. GT has continued to follow up to obtain the required information from the State. But it has been more difficult to establish contact with the State agencies. The Adult Training and Business Relief programs have provided some documentation for review, while for the remaining seven programs, the Office of Management and Budget (OMB) has given a follow-up date of end of the month.

Co-Chair Wasserbach noted that nearly half of the CRF funds received by the County were given to the State. He said that he had initially contacted the State Budget Office in December 2020 regarding subrecipient monitoring and then again in January/February 2021 but did not hear back, partially due to a restructuring in the top management at the Budget Office. Eventually, GT was given the responsibility of following up with the State. Co-Chair Wasserbach said that the OMB wants one point of contact (POC) to coordinate with GT for 7 of the 9 State programs for which the County gave CRF funds. He also noted that several extensions have been given to the State. Co-Chair Wasserbach expressed concern that there was not enough time before the start of the County's FY2021 Single Audit where the external auditors would be looking at subrecipient monitoring of the State done by the County. Co-Chair Wasserbach also noted that the State's FY2020 Single Audit report had found several material weaknesses and significant deficiencies. He wondered if there was anything else the County could do to get the State to respond.

Co-Chair Smith inquired whether the Single Audit comments that the State received were related to CRF funds. Co-Chair Wasserbach said that he was not sure how much of the CRF funds the State had spent by June 30, 2020. He said that he would send the State's FY2020 Single Audit report to Co-Chair Smith and Mr. Hinkel. Co-Chair Smith said that he would continue to work with the State to get them to respond in a timely manner. He said that it would be best to not have multiple persons from the County reach out to the State. Co-Chair Smith said it would be easier to include Co-Chair Wasserbach in any specific conversations with the State that he would be interested in. Councilwoman Kilpatrick suggested going directly to the Director of the OMB, Cerron Cade, would get things moving since it seemed

that the OMB does not want the County to contact each of its agencies separately. Co-Chair Smith agreed to contact the Director of OMB.

- FEMA – Mr. Hinkel said that Hope Center costs are currently being discussed with FEMA for reimbursement.
  - Internal Audit comments on CRF compliance – GT is continuing to work with the NCC Internal Audit team and has cleared 250 of 288 comments.
  - Paid Administrative Leave – GT has recently received a bunch of documents to review on this.
- Co-Chair Wasserbach invited Aundrea Almond to provide an update on the recommendations made by the American Rescue Plan Act (ARPA) committees. Ms. Almond said that the committees collectively held 23 public meetings and, separately, 150 comments were received from the public on the County website. Based on these, the Executive Office is currently drafting legislation on a high level ARPA budget to go to the Council in the coming weeks. The processes for reviewing applications for the different projects being considered are also being developed, both in terms of eligibility criteria as well as performance metrics. Ms. Almond noted that with the ARPA funds a longer timeline is available for expenditure than for the CARES Act CRF funds. Also, ARPA fund expenditures need more data upfront.

Co-Chair Wasserbach inquired whether Ms. Almond knew what the State was doing with its ARPA funds. Ms. Almond replied that the State had recently disclosed its high-level plans relating to Broadband infrastructure. But the County is still not sure what the implications of that will be for the County. It seems likely that most of the State's expenditures will be in infrastructure. The County is currently waiting to hear more so that it does not duplicate the State's efforts.

Co-Chair Wasserbach asked whether a date had been finalized for the next Intergovernmental Collaboration Committee meeting. Ms. Almond said that had yet to be decided.

Ms. Almond also discussed a CARES Act program for the County's Public Works contractors who had seen an increase in construction material costs due to the pandemic. She said this program would be similar to an existing State program. GT has provided feedback on the proposed application process and documentation needed for this program. In terms of scope, there are 4 active Public Works projects whose contractors and sub-contractors could potentially qualify for this program.

- It was decided that the next meeting would take place on Wednesday, October 27th at 11 a.m.
- Councilwoman Kilpatrick made a motion to adjourn which was seconded by Co-Chair Smith. The motion passed unanimously and the meeting ended at 11:48 a.m.

