



## **Joint Meeting of the Audit and Finance Committees Meeting Agenda**

Monday, February 3, 2014  
9:00 a.m. - 10:30 a.m.  
CareerSource Central Florida Administration Office  
707 Mendham Blvd., Suite 250  
Orlando, FL 32825  
Conference Call-in phone number: (407) 531-1243

**Welcome & Chair's Remarks** .....Bill Merck/Eric Ushkowitz

- Roll Call/Establishment of Quorum
- Public Comment

### **Approval of Minutes**

- September 19, 2013 Audit Committee Meeting
- October 15, 2013 Finance Committee Meeting

### **Presentation from Cherry, Bekaert**

- Draft Report of WCF's 2012-13 A-133 Audit

### **Information/Discussion Items**

1. Mid-Year Budget Variance Report .....Leo Alvarez
2. WCF's Compensation & Classification Study.....Leo Alvarez/Sherry Voss

### **Action Item**

- Procurements.....Leo Alvarez
  - Payroll Services RFQ
  - Broker Services RFQ
- Charters.....Pam Nabors/Leo Alvarez
  - Audit Committee Charter
  - Finance Committee Charter

**Chairman's Closing Remarks** .....Bill Merck/Eric Ushkowitz

### **Upcoming Meetings:**

- Finance Committee Meeting - to be discussed (*currently scheduled for 4/22/14; however, conflicts with Executive Committee Meeting*)
- Audit Committee - Next scheduled meeting TBD

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Audit Committee Meeting

WCF Admin Office  
707 Mendham Blvd., Suite 250  
Orlando, FL 32825  
Thursday, September 19, 2013  
9:00 a.m.

MINUTES

**MEMBERS PRESENT:** Eric Ushkowitz, Art Bisner, Barbara Lehman, Jim Moye, Joe Pennisi (via phone), and Joseph Sarnovsky (via phone),

**MEMBERS ABSENT:** Mike Kurek and Richard Sweat

**STAFF PRESENT:** Pam Nabors, Kevin Neal, Leo Alvarez, Nilda Blanco and Kaz Kasal

**GUESTS PRESENT:** Jim Burdick, Dan Gougherty, Carrie Cross / Cherry, Bekaert

**WELCOME & CHAIRS' REMARKS**

Mr. Ushkowitz called the meeting to order at 9:00am and welcomed those in attendance.

**Roll Call/Establishment of Quorum**

Ms. Kasal commenced with roll call and reported there was a quorum present.

**Public Comment**

None offered.

**Approval of the Minutes (3/11/13 Joint Meeting of the Audit and Finance Committees)**

Mr. Moye pointed out three minor revisions to be made under the "Information Items" section, first paragraph. Ms. Kasal indicated she would make these corrections after the meeting. Mr. Moye made a motion to approve the 3/11/13 minutes, with amendments. Ms. Lehman seconded, motion passed.

**PRESENTATION FROM CHERRY, BEKAERT**

Mr. Burdick, the lead for this A-133 audit on Program Year 2012-13, greeted the committee and introduced Dan Gougherty and Carrie Cross as part of the audit team. Mr. Burdick provided a handout and reviewed the interim work performed and audit plan for year-end testing. The auditor's responsibility will include: assurance that financial statements and supplementary information are fairly represented and in compliance. Other areas of emphasis will include: federal single audit on the major federal programs for compliance, follow up on implemented corrections to prior year audit findings, and compliance monitoring report. Two observations to date: possible adjustment for over accrued grants receivable and former general counsel liability. Mr. Burdick stated that there will be a report draft by 10/31/13 for board review and approval. Mr. Moye asked if the \$237,000 adjustment agreed to by DEO come through. Ms. Nabors replied yes, USDOL accepted this back in May 2013 – \$500,000 the state utilized of TANF, state dollars to stand in for these costs, so entirely settled.

**DEO ANNUAL FINANCIAL MONITORING**

Mr. Alvarez referred to the DEO letter dated 6/20/13 in the meeting packet. DEO performed financial testing for period 7/1/12 thru 2/28/13 and there were no findings or other non-compliance issues noted. Next week there will be a planning meeting on 2013/14 fiscal monitoring. At the Joint Meeting of Finance and Audit Committees in January 2014, an update will be provided on this fiscal monitoring. Ms. Lehman asked if this monitoring will be performed by a CPA firm. Mr. Alvarez replied yes. Ms. Nabors stated that last spring WFI asked Ms. Nabors to present at their meeting, to review how WCF corrected its financial system's processes, which included the formation of this Audit Committee to included representation of the counties in this region on the committee. Ms. Nabors reported that the improved processes this region made is becoming a best practice to other regions in the state. Ms. Nabors thanked the Audit Committee for their support and contributions they have made to get high risk designation lifted and help to turn this organization around.

Mr. Ushkowitz asked if UBS reviewed their fees with the Finance Committee. Mr. Alvarez replied yes, UBS provided a presentation to the Finance Committee and the fees were analyzed. The fees are based on the size of the portfolio. Fees increased due to being below \$2M threshold. Education sessions were provided to staff and plan participation increased which brought WCF over the \$2M threshold and fees were decreased. Mr. Moyer provided the committee with Orange County current portfolio and pricing structure, and advised that WCF should further research this and directly contact firms for their fee structure. Ms. Nabors stated that she will forward this information and re-review Mr. Merck

**NEW BUSINESS**

None offered.

**CHAIRS' CLOSING REMARKS**

Mr. Ushkowitz and Mr. Merck thanked those for attending today's meeting.

**ADJOURNMENT**

There being no other business, the meeting was adjourned at 9:46 a.m.

Respectfully submitted,

Kaz Kasal  
Sr. Administrative Assistant

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Finance Committee Meeting

WCF Admin Office  
707 Mendham Blvd., Suite 250  
Orlando, FL 32825  
Tuesday, October 15, 2013  
9:00 a.m.

MINUTES

**MEMBERS PRESENT:** Bill Merck, Melanie Cornell (via phone), Taylor Pancake, Joe Sarnovsky (via phone), Chuck Todd and Mark Wylie

**STAFF PRESENT:** Kevin Neal, Leo Alvarez, Kameel Abdurrahman, Nilda Blanco (via phone), and Kaz Kasal

WELCOME & CHAIRS' REMARKS

Mr. Merck called the meeting to order at 9:00 a.m. and welcomed Mr. Pancake and Mr. Todd, two new members of the Finance Committee.

Roll Call/Establishment of Quorum

Ms. Kasal reported there was a quorum present.

Public Comment

None offered.

APPROVAL OF MINUTES FROM PREVIOUS MEETING

After review of the minutes from the 6/3/13 Finance Committee Meeting, Mr. Wylie made a motion to approve the minutes. Mr. Pancake seconded, motion passed.

INFORMATION AND DISCUSSION ITEMS

1. Finance Committee Orientation

Mr. Alvarez provided an orientation, via Powerpoint presentation, for the new Finance Committee members. A handout of this orientation was also in the meeting packet. Mr. Alvarez reviewed the workforce system; the flow, allocation and description of federal funding sources; historical funding levels and 2013-2014 budget by funding source. Mr. Alvarez asked the committee members to contact him if they have any follow up questions or need clarification.

2. Budget Variance Report through 9/30/13

Mr. Alvarez referred to the "WCF Budget Versus Actual Report – as of September 2013" document in the meeting packet and provided an overview of the report, going over expenditures per funding source for the 1<sup>st</sup> two months of program year (July '13 and Aug '13). 13.3% has been expended

from a budget total of \$39.8M. The budget is slightly underspent but should get on track once work experience and youth program activities start ramping up. When the Finance Committee meets again in January 2014, there will be two quarters to review and any mid-year budget recommendations, if funding adjustments are needed.

3. 403(b) 2012 Financial Statement Report

Mr. Alvarez provided an overview of Cherry Bekaert's audit of the financial statements and supplemental schedules of WCF's 403(b) plan for the year ended 12/31/12. Cherry Bekaert indicated that no difficulties were encountered and there were no misstatements or findings. One item outstanding from previous years that needs work is the calculation of lost earnings related to the delinquent contributions from 2009 to 2011. DOL has tools to help with this and WCF has engaged an ERISA attorney as well. Mr. Todd asked what the target date is for completion. Mr. Alvarez replied that this process will be completed by January 2014.

4. Issue RFQ's for outsourcing payroll processing & Broker Services

Mr. Alvarez stated that when this Finance Committee first formed the question of outsourcing payroll was raised, as WCF runs payroll and submits taxes in-house. Based on a review of the other regional workforce boards, half do their payroll/taxes in-house, with the other half outsourcing this function. Mr. Alvarez indicated that a Request For Quotes (RFQ) will go out by end of this month (October 2013). Staff will do a comparison/analysis from quotes received and provide a recommendation at Finance Committee meeting in January 2014.

Mr. Alvarez stated that an RFQ will also be going out for broker services for: 1) general medical/dental insurance, 2) general liability and 3) real estate. WCF has long term relationships with their current brokers providing these services, but as a best practice it is time to go out in the market and do a competitive bid analysis.

Mr. Alvarez also provided an update on the office space in Seminole County, where two of the current offices will be consolidated into one larger space. The new location will be off of Airport Boulevard in Sanford, FL and the build-out costs will be built into the lease. Mr. Wylie asked how rooms will be furnished and a description of the office layout. Mr. Alvarez replied that there is some furniture in storage and they may need to purchase some additional refurbished furniture – they will review this. The office layout will include three offices and the rest of the open space will be designed for multi-purpose, to accommodate different functions – i.e. meetings, resource rooms.

Mr. Todd commented that there are no facilities in Sumter county – is WCF looking into partnering with organizations such as Sumter county's library system? Mr. Alvarez stated that typically WCF partners with a library via an MOU and shares space (in-kind or billed percent of overhead), with staff stationed at a library. Mr. Todd asked if this could be done on a full-time basis. Mr. Alvarez replied that it would depend on the availability of the library. Mr. Neal added that WCF is currently working to establish library presence at Orange and Lake counties.

**ACTION ITEM**

➤ Network Backbone – Redesign

Mr. Abdurrahman referred to the action item document in the meeting packet entitled “Information Technology Department – Network Backbone Redesign.” He stated that WCF's service contract with Time Warner Telecom (TWTC) is due to expire at the end of October 2013. TWTC provides network backbone connectivity services to WCF that include: site-to-site connectivity, phone system services, Internet and colocation services. Based on a 4 month period of research, analysis and cost comparison between three prominent service providers, WCF determined that TWTC provided the greatest overall value for the lowest cost while providing a greater increase in service over a 36 month contractual term. Furthermore, WCF's contractual relationship with TWTC is over 6 years and their service has been excellent. The IT Staff is recommending that WCF renew WCF's contract with TWTC for network backbone and colocation services.

Mr. Merck commented that good analysis was done and the increased services for less cost is a good value.

Mr. Wylie made a motion to approve WCF renewing contract with TWTC for network backbone and colocation services. Dr. Sarnovsky seconded, motion passed.

**CHAIRS' CLOSING REMARKS**

Mr. Merck thanked all those who attended today's meeting.

There being no other business, the meeting was adjourned at 10:29 a.m.

**UPCOMING MEETINGS**

- Finance Committee Meeting: 1/21/14 - WCF Admin Office. Ms. Kasal will forward to the Finance Committee a meeting notice reminder.

Respectfully submitted,

Kaz Kasal  
Sr. Administrative Assistant



## CareerSource Central Florida Classification & Compensation Study

CareerSource Central Florida requested proposals from professional consulting firms to conduct a Classification and Compensation study on a contractual basis. CareerSource Central Florida contracted with HR Compensation Consultants, LLC (HRCC) in the late summer of 2013 to conduct this study.

The objective of the study was to ensure a Classification & Compensation Plan that:

- attracts a qualified workforce and retains motivated employees
- provides competitive pay for employees
- provides justifiable pay differentials
- outlines promotional opportunities and potential compensation growth
- maintains internal equity and external equity with relevant markets
- complies with applicable laws, regulations, and procedures

The study was conducted following the steps outlined below.

- Employees completed Position Questionnaires (PQ's) and supervisors reviewed them.
- HRCC conducted a comprehensive review of CareerSource Central Florida jobs with employee and department head input into Position Questionnaires, interviews about departmental operations, and review of draft job descriptions.
- HRCC developed and updated job descriptions to ensure accuracy.
- HRCC conducted a classification study to align jobs based on job function
- Based on the analysis of CareerSource Central Florida jobs, HRCC slotted CareerSource Central Florida jobs into the following Roles:
  - Associate
  - Technician
  - Professional
  - Leader
- HRCC conducted a compensation survey by collecting data from local employers and private sector published data analyzing benchmark data.
- HRCC created a market competitive pay structure that balances internal equity of CareerSource Central Florida jobs, establishing pay ranges that will help recruit and retain a well-qualified workforce.
- HRCC created Compensation Administration Guidelines containing written instructional information enabling CareerSource Central Florida to evaluate new positions, and/or positions undergoing changes in responsibilities, consistent with the study methods until the next formal study is conducted.



## **Preliminary Results**

Realignment Impact: changes to job titles (less than 30), FLSA status (less than 10 employees), updated job descriptions and starting pay rates with some financial impact (less than \$20,000). Department Director meetings are currently taking place to review the impact the Compensation Study will have on each department.



## REQUEST FOR QUALIFICATIONS – BROKER SERVICES

### EVALUATION SUMMARY

#### BACKGROUND:

CareerSource Central Florida issued a request for qualifications (RFQ) seeking broker services for liability insurance and employee health and welfare plans. The RFQ was issued on December 16, 2013 with responses due back on January 13, 2014. CareerSource Central Florida currently has long standing broker relationships and had not procured broker services in over a decade. Based on the recommendation of the Finance Committee, CareerSource Central Florida is evaluating its broker relationships to determine if a change is necessary. The estimated contract period is March 1, 2014. The broker relationship will be evaluated on an annual basis, and may be renewed for four additional one-year periods.

The criteria of the Request for Proposals (RFQ) included:

- Experience and Qualifications: Experience and expertise with respect to non-profit organizations; service approach; community involvement.
- Past Performance and References
- Cost: Broker fees and structure
- Value Added Services: Access to employee trainings, online benefit registrations, customer service.

We received six (6) proposals from following firms:

- Bennett Insurance and Financials
- Brown & Brown
- Digital Benefit Advisors
- Arthur J Gallagher & Co. Risk Management/Gallagher Benefit Services
- Marsh & McLennan
- Willis

#### REVIEW TEAM:

A review team of four members was created that included the following individuals:

- Leo Alvarez, Assistant Chief Financial Officer
- Sherry Voss, Human Resources Director
- Tonya Elliott-Moore, Communications Director
- Loretta Talley, Accounting Manager

**SUMMARY: (Scores based on maximum point value of 100)**

Respondent	Average Score
Bennett Insurance & Financial Services	64.25
Brown & Brown	88.75
Digital Benefit Advisors	59.25
Arthur J. Gallagher & Co.	74.75
Marsh & McLennan	81.25
Willis	87

The review team scored the six proposals, and in order to make a more informed decision, invited the top three respondents to make a presentation. The review team was expanded to include Human Resource staff for final selection. The top three respondents, in alphabetical order were: Brown & Brown, Marsh & McLennan and Willis.

The presentations were scheduled for 90 minutes and focused primarily on further discussion on the services offered, including innovative strategies for benefit plan options, short-term transition plan options to move our organization forward, and projected three year plans to include a variety of benefit options and potential cost cutting measures. Once the presentations concluded, staff discussed and ranked the respondents and narrowed the selection to the final two - Brown & Brown and Willis. Before making a final selection, staff conducted reference checks and arranged for further discussion with the two companies on benefit administrations available.

**ACTION ITEM:**

Based on comparability of pricing structure, organizational culture, and versatility of options, CareerSource Central Florida staff would like to recommend the selection of Willis as the new broker for liability insurance and employee health and welfare plans.



## REQUEST FOR QUALIFICATIONS – PAYROLL SERVICES

### EVALUATION SUMMARY

#### BACKGROUND:

CareerSource Central Florida issued a request for qualifications (RFQ) seeking payroll services. The RFQ was issued on November 25, 2013 with responses due back on January 10, 2014. CareerSource Central Florida currently administers payroll in-house. Based on the recommendation of the Finance Committee, CareerSource Central Florida is seeking a third-party vendor to provide payroll services for approximately 230 employees. Current payroll cost are approximately \$8.6M annually plus taxes and benefits. The estimated contract period is July 1, 2014, to June 30, 2015, and may be renewed for four additional one-year periods.

The criteria of the Request for Proposals (RFQ) included:

- Experience and Capability: Experience in providing payroll services; ensures security of staff information; ability to report payroll costs by project or cost center; customer service.
- Cost: Initial set up; recurring processing; annual and quarterly filings; time tracking module.
- Value Added Services: Benefits, FMLA, and COBRA administration; benefit payment processing; employee benefit portal/intranet.

We received five (5) proposals from following firms:

- ADP
- ME Accounting Services
- Paychex
- PlanSource
- TruPay

#### REVIEW TEAM:

A review team of four members was created that included the following individuals:

- Kevin Neal, Chief Operating Officer
- Leo Alvarez, Assistant Chief Financial Officer
- Sherry Voss, Director of Human Resources
- Suzan Awad, Applications Manager

**SUMMARY: (Scores based on maximum point value of 100)**

Respondent	Average Score
PayChex	90.25
ADP	89.00
TruPay	66.25
PlanSource	66.00
ME Accounting Services	54.50

The review team scored the five proposals and in order to make a more informed decision, invited the top two respondents to make a presentation. The review team was expanded to include HR and payroll staff for final selection. The top two respondents, in alphabetical order were: ADP and Paychex. The presentation were scheduled for 90 minutes and they focused primarily on payroll process, integration with our current accounting systems, cost structure for payroll processing and value added human resource services based on organizational needs. Both companies presented very well and they both demonstrated the ability to provide the core services that CareerSource Central Florida is seeking. The projected annual cost is comparable between the two companies. The final selection came down to technology and customer service approach.

**ACTION ITEM:**

Based on the initial review team scores and the subsequent team rankings from the top two presenters, CareerSource Central Florida staff would like to recommend ADP as the new third party payroll administrator.

# CareerSource Central Florida

## Audit Committee Charter

### 1. Purpose:

- The primary role of Audit Committee (“Committee”) is to approve the annual audit, evaluate audit findings, recommendations, and planned management improvements in light of the risk assessment reported by the external auditors. The Audit Committee provides a level of oversight by the local chief elected officials for the Central Florida Workforce Investment Consortium.

### 2. Authority:

The Board authorizes the Committee to:

- Perform activities within the scope of its charter
- Engage outside consultants and other advisors as it deems necessary with approval of the Board or the President
- Have unrestricted access to management and employees of the Corporation, as well as to all financial records.

### 3. Organizational Membership:

- The local chief elected officials of the Central Florida Workforce Investment Consortium will each designate a member of the Audit Committee to represent their county.
- The Committee will consist of at least five members.
- Members will serve on the Committee until their resignation or replacement by the local elected official.

### 4. Meetings:

- A majority of the members of the Committee will constitute a quorum for the transaction of business.
- Meetings shall be held not less than two times per year.
- The Committee shall maintain written minutes of its meetings.

### 5. Roles and Responsibilities:

- Arranging and managing the annual audit(s) of the Corporation’s programs required under applicable laws, regulations or directives (including OMB Circular A–133), including selection of the auditor and approval of annual audit plans.
- Providing oversight of the Corporation through review of monitoring reports and audits of the Corporation.
- Making recommendations to the Board of Directors on the selection of an independent auditor and regarding such auditor’s compensation and terms of engagement.
- Receiving and reviewing the annual audit reports from the independent auditor.
- Reviewing and approving the Corporation’s responses to any adverse findings regarding the financial affairs of the Corporation, including, but not limited to, adverse monitoring reports, financial audits, management decision letters, Office of Inspector General’s (OIG) investigative reports and final determination letters.
- Reviewing, in consultation with the independent auditor and management, the Corporation’s financial statements.

- Reviewing and evaluating the adequacy of internal accounting controls and practices and making recommendations for revisions and additions as necessary or appropriate.
- Reviewing and evaluating the Corporation's ethics and conflict-of-interest policies and procedures and, whenever the Chairman of the Board or the committee deems appropriate, investigating any alleged violations of such policies and procedures.

6. Charter Review:

- Review the Committee Charter at least once a year and discuss any required changes with the Board.
- Ensure that the charter is approved or reapproved by the Board after each update.

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# CareerSource Central Florida

## Finance Committee Charter

### 1. Purpose:

- The Finance Committee ("Committee") is a committee of CareerSource Central Florida Board of Directors ("Board"), whose members are appointed by the Chairman of the Board. The general purpose of the Committee is to provide review, policy guidance and strategic oversight of the Corporation's financial matters, financial reporting statements, and real estate activities.

### 2. Authority:

The Board authorizes the Committee to:

- Perform activities within the scope of its charter
- Engage outside consultants and other advisors as it deems necessary with approval of the Board or the President
- Have unrestricted access to management and employees of the Corporation, as well as to all books and records related to facility planning.

### 3. Organizational Membership:

- The Board Treasurer is the Chair of the Finance Committee.
- The Chair of the Board will appoint members of the Committee, all of whom must be members of the Board.
- The Committee will consist of at least three members.
- Members will serve on the Committee until their resignation or replacement by the Chair of the Board.

### 4. Meetings:

- A majority of the members of the Committee will constitute a quorum for the transaction of business.
- Meetings shall be held not less than four times per year.
- The Committee shall maintain written minutes of its meetings.
- The Chief Financial Officer or designee, who has operational responsibility for financial planning, will be the liaison to the Committee. Said staff person will regularly meet and correspond with the Chairman of the Committee and in consultation with the Chairman, prepare the agenda for meetings of the Committee. Said staff person will further advise and keep informed as needed both the President and the Chair of the Board on a regular basis regarding matters brought before and actions taken by the Committee.
- The Committee may request special presentations or reports that may enhance members' understanding of their responsibilities.
- It is the intent of the Committee for matters within its purview to come before the Committee as early as possible so that the Committee can issue its recommendations and exercise its oversight at the beginning of any particular project or matter.

### 5. Roles and Responsibilities:

With regard to each item listed below, the Committee will:

- Review the annual budget of the Corporation and recommend appropriate action to the Board.



- Review the financial statements of the Corporation, making recommendations for action to the Board as need.
  - Review the annual financial statements of the Corporation, making any recommendations regarding such reports deemed necessary to the Board.
6. Facilities:
- Recommend appropriate action regarding the addition, deletion or major structural changes of offices.
7. Charter Review:
- Review the Committee Charter at least once a year and discuss any required changes with the Board.
  - Ensure that the charter is approved or reapproved by the Board after each update.

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