



Audit Committee Meeting
Meeting Agenda

Thursday, September 19, 2013
9:00 a.m. – 10:00 a.m.
WCF Administration Office
707 Mendham Blvd., Suite 250
Orlando, FL 32825
Conference Call-in phone number: (407) 531-1243

AGENDA

Welcome & Chairs' Remarks Eric Ushkowitz

Public Comment

Roll Call

Approval of Minutes

- March 11, 2013 Joint Meeting of the Audit and Finance Committee Meeting

Presentation from Cherry, Bekaert on Program Year 2012-13 A-133 Audit

- Report on Interim Work Performed
- Audit Plan for Year End Testing

DEO Annual Financial Monitoring

- 2012-13 Financial Monitoring Results
- 2013-14 Financial Monitoring Planning

New Business

Chairs' Closing Remarks Eric Ushkowitz

Upcoming Meetings:

Joint Meeting of the Audit & Finance Committees, January 21, 2014 - 9:00am to 10:30am – WCF Admin Office

Joint Meeting of the Audit and Finance Committees

**WCF Admin Office
707 Mendham Blvd., Suite 250
Orlando, FL 32825
Monday, March 11, 2013
9:00 a.m.**

MINUTES

MEMBERS PRESENT: Bill Merck, Eric Ushkowitz, Art Bisner, Debbie Clements, Melanie Cornell, Fred Coulter, Catherine Hanson, Mike Kurek, Jim Moye, Joseph Sarnovsky, Richard Sweat and Mark Wylie

MEMBERS ABSENT: Barbara Lehman

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

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

WELCOME & CHAIRS' REMARKS

Introductions

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

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

After review, the Audit Committee unanimously approved the minutes from the 1/14/13 Audit Committee meeting.

After review, Mr. Sarnovsky made a motion to approve the minutes from the 2/12/13 Finance Committee meeting. Ms. Hanson seconded, motion passed.

PRESENTATION FROM CHERRY, BEKAERT

Mr. Burdick, the lead on this audit, greeted the committee and provided a review of the draft audit results and required communications. Mr. Burdick stated that the delay in completing the audit is due to the DEO look back reallocation cost allocation. An unqualified opinion is anticipated with respect to the financial statements being fairly presented. With regard to the single audit results, at least 50% of the major federal award program transactions were tested and no significant deficiencies or material weaknesses were disclosed.

Mr. Burdick and Mr. Dougherty reviewed the statements of financial position – both 2012 and Restated 2011. With regard to the liability for disallowed settlement costs for \$739,605, DEO agreed to adjust by at least \$500,000 and the remainder is still under negotiation. Mr. Coulter asked if this adjustment will be made in current or prior year. Mr. Burdick replied current year - as it is still a liability under the current year and DEO did not agree to adjust until this year. Mr. Alvarez added that they are hoping to reach an agreement and settle the remaining \$237,000 for DEO approval by end of this month when audit is filed.

Mr. Burdick reviewed the draft financial statements and noted two deficiencies: 1) year-end cutoff – July health insurance bill accrued as expense and accrued in June, but this was for subsequent year; and 2) last year there was no accounting for incentive cards - adjustments are made on an annual basis, but this should be done on a monthly basis. Mr. Alvarez further explained that as of 7/1/12 there are monthly reconciliations and there have been no issues with controls of cards.

INFORMATION ITEMS

403b Staff Training Sessions

Mr. Alvarez stated that at the 2/12/13 Finance Committee Meeting, representatives from One American and AUL provided a presentation to review the Finance Committee's fiduciary responsibilities. The committee suggested that training sessions be provided to staff to further educate them on the benefits of plan participation. Mr. Alvarez stated that WCF has scheduled training sessions for the staff and Mr. Merck will be attending one of them. Mr. Moye commented that WCF's 403b plan fees are five times higher than it ought to be and expressed concerns with regard to excess fees (every 1% excess fee eats up 17% of participant's portfolio). Mr. Merck stated that he did request UBS to review the fees and asked Mr. Alvarez to include this as an agenda item at the next committee meeting; and that UBS be prepared to explain their rationale on their fees.

Update on Facilities Plan

Mr. Alvarez expressed his thanks to Ms. Cornell and her associate Ms. Volosin with HKS for their great assistance providing space planning consultation to WCF at no cost. Ms. Volosin met with WCF management last Friday and provided a summary of improvements to restructure offices to better support programs and provide better flow. The current focus is Seminole and East Orange County offices, as leases will be expiring at these locations in the fall. A public notice has been posted that WCF is looking for space. A progress report will be provided to the Finance Committee at their next meeting in April 2013. Mr. Coulter asked if mass transit is taken into account. Mr. Alvarez affirmed that the locations being reviewed are within walking distance to a bus stop.

Mr. Ushkowitz asked for an update on the high-risk designation. Mr. Alvarez replied that Ms. Nabors and Mr. Katheder visited the Governor's office and DEO at the end of January 2013, in efforts to remove the high risk status, having satisfied all items as identified in the September 2011 Governor's letter. DEO responded there are a few items to look for final closure before off of high risk:

- 1) Final A-133 audit and all previous year's findings resolved.
- 2) Financial monitors from State will be visiting WCF in May 2013 - to make sure there are no significant findings at this monitoring.
- 3) Policies and procedures – Governor's letter states in place 6 months. Policies and procedures revisions were made prior to 10/31 but there was a two-month lag with implementation and voted on

by board, so delay clearing this item – so pushed to April 2013.

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 10:13 a.m.

Respectfully submitted,

Kaz Kasal
Sr. Administrative Assistant

Rick Scott
GOVERNOR



Jesse Panuccio
EXECUTIVE DIRECTOR

June 20, 2013

Workforce Central Florida
Pamela Nabors, President and Chief Executive Officer
707 Mendham Boulevard, Suite 250
Orlando, Florida 32825

Dear Ms. Nabors:

Enclosed please find the Department of Economic Opportunity's (DEO) Bureau of Financial Monitoring and Accountability's (FMA) financial compliance monitoring report for Workforce Central Florida, Regional Workforce Board (RWB) 12. FMA performed specific financial compliance monitoring testing while on-site at RWB 12. FMA's financial monitoring is to assure compliance with our oversight and monitoring responsibilities outlined in:

- 29 CFR Part 95.51(a) or 29 CFR Part 97.40(a),
- 20 CFR Part 667.400 and 667.410 (Workforce Investment Act final rules), and
- Subpart D, Paragraph .400(d) of Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

From May 20, 2013 through May 24, 2013, FMA visited RWB 12 and performed financial testing as summarized in the DEO 2012-13 Onsite Financial Monitoring Tool for the period July 1, 2012 through February 28, 2013.

During the on-site monitoring, FMA became aware of certain matters that are opportunities for strengthening internal control and operating efficiencies; these have been included in Section IV *Observations*.

For the monitoring period July 1, 2012 through February 28, 2013 there were no findings or other non-compliance issues noted.

Sincerely,



Wes Underwood
Bureau Chief of Financial Monitoring and Accountability

WU/ta:

cc: Tony Lloyd, Chief Financial Officer, DEO
Leo Alvarez, RWB 12 Finance Director



WORKFORCE
CENTRAL FLORIDA

*Audit Committee Meeting
Planning Communications
September 19, 2013*

For the Year Ended June 30, 2013



Cherry Bekaert^{LLP}

Your guide forward

AGENDA

- ***Auditor's responsibility***
- ***Audit status and timing***
- ***Areas of audit emphasis***
- ***New auditing standards***

Auditor's Responsibility

- **Financial Statements**
 - **Obtain reasonable assurance through selected audit procedures that the financial statements are fairly presented in all material respects in conformity with generally accepted accounting principles.**
 - **Consider internal control over financial reporting as a basis for designing our audit procedures.**
 - **Review compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a material effect on the determination of financial statement amounts.**

Auditor's Responsibility (continued)

- **Single Audit**
 - **Consider internal control over compliance with laws and regulations relevant to major federal award programs to determine compliance audit procedures.**
 - **Examine, on a test basis, evidence about compliance with the types of compliance requirements applicable to each major program as a basis providing an opinion on compliance.**

Auditor's Responsibility (continued)

- **Supplementary Information**
 - **Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the form, content and method of preparing the supplementary information for reasonableness and consistency and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.**

Audit Status and Timing

- **Interim Procedures – Completed on June 18, 2013**
 - Planning and Preliminary Procedures
 - Internal Control Review & Testing
 - Preliminary Single Audit Testing

- **Year End Procedures – Beginning September 9, 2013**
 - Audit Procedures
 - Completion of Single Audit testing
 - Reporting

- **Observations to date**
 - Possible adjustment for over accrued grants receivable
 - Former general counsel liability

- **Report draft –October 31st, 2013, Final upon Board Approval**

Areas of Audit Emphasis

- **Federal Single Audit and related compliance matters**
- **Follow up on implemented corrections to prior year audit findings**
- **Compliance monitoring reports**

New Auditing Standards

- **New clarity standards are effective for audits of financial statements for periods ending on or after December 15, 2012**
- **These changes merely “clarify” required audit procedures and documentation as well as information for the users of the financial statements and will not have a significant impact on our audit of WCF**
- **These standards will affect our audit documentation and the format and terminology in the audit report**

Contact Information

Presented by:

Jim Burdick

Carrie Cross

Dan Gougherty

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