

AUDIT & FINANCE COMMITTEES VIRTUAL MEETING

Tuesday, October 13, 2020

MEETING DETAILS

Meeting Details

Meeting Agenda

Welcome

Roll Call

Public Comment

Approval of Minutes

Information / Discussion / Action Items

Other Business

Adjournment

What: Audit & Finance Committees Virtual Meeting

When: Tuesday, October 13, 2020
2:30 p.m. – 4:00 p.m.

Where: Virtual via Zoom:

Zoom Meeting (remote attendees):

Link: <https://careersourcecf.zoom.us/j/93781947010?pwd=WjZRQUVwKzRKS0FQRVZvSVd0MVp0UT09>

Dial In: **1 (929) 205-6099 / Meeting ID: 937 8194 7010 / Passcode 082955**

10/13/20 AUDIT & FINANCE COMMITTEES' VIRTUAL MEETING AGENDA

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Agenda Item	Topic	Presenter	Action Item
1.	Welcome	Larry Walter & Eric Ushkowitz	
2.	Roll Call / Establishment of Quorum	Kaz Kasal	
3.	Public Comment		
4.	Approval of Minutes		
	A. Audit Committee Action: 2/11/20 Audit & Finance Joint Committee Meeting (Finance Committee approved at its 4/8/20 meeting)	Larry Walter	X
	B. Finance Committee Action: 6/9/20 Finance Committee Meeting	Eric Ushkowitz	X
5.	Information / Discussion / Action Items		
	A. <u>Audit Committee Items:</u>		
	1) Audit Committee Charter- Annual Review	Larry Walter	
	2) Fiscal Year 2019-2020 Audit Planning	Grau & Associates	
	B. <u>Finance Committee Items:</u>		
	1) Finance Committee Charter – Annual Review	Eric Ushkowitz	
	2) Financial Reports	Eric Ushkowitz	
	3) Facilities Update – Action Item	Matt Walton	X
6.	Other Business		
7.	Adjournment		

UPCOMING MEETINGS

Upcoming Meetings:

Board & Consortium Virtual Meeting 12/17/20 9:00 a.m. - 11:00 a.m.

Audit Committee Meeting - TBD
Finance Committee Meeting - TBD

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WELCOME

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ROLL CALL / ESTABLISHMENT OF QUORUM

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► **Public Comment**

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PUBLIC COMMENT

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APPROVAL OF MINUTES



DRAFT
Joint Meeting of the Audit and Finance Committees

Hanson, Walter & Associates
8 Broadway, Suite 104, Kissimmee, FL

Tuesday, February 11, 2020
11:30 a.m.

MINUTES

MEMBERS PRESENT: Larry Walter, Lorie Bailey-Brown, Michelle Bishop, Wendy Brandon, Glen Casel, Keira des Anges, Wendy Ford, Diana Rodriguez, Daniel Turlington, Matt Walton, and Fred Winterkamp

MEMBERS ABSENT: Nicole Guillet, Kristy Mullane, Eric Ushkowitz and Mark Wylie

STAFF PRESENT: Pam Nabors, Mimi Coenen, Leo Alvarez, Sean Masherella and Kaz Kasal

GUESTS PRESENT: David Caplivski / Grau & Associates

Agenda Item	Topic	Action Item / Follow Up Item
1	Welcome Mr. Walter, Audit Committee Member Chair, called the meeting to order at 11:42 am.	
2	Roll Call / Establishment of Quorum Ms. Kasal, CSCF Executive Coordinator, reported a quorum present on both the Audit and Finance Committees.	
3	Public Comment None Offered.	
4	Approval of Minutes Audit Committee reviewed the minutes from the 9/17/19 Audit Committee meeting. Finance Committee reviewed the minutes from the 10/8/19 Finance Committee meeting.	Mr. Winterkamp made a motion to approve the minutes from the 9/17/19 Audit Committee meeting. Ms. Ford seconded; motion passed unanimously. Ms. Brandon made a motion to approve the minutes from the 10/8/19 Finance Committee meeting. Mr. Casel seconded; motion passed unanimously.
5	Information	
	<u>Presentation from Grau & Associates</u> <ul style="list-style-type: none"> Reviewed presentation entitled "CareerSource Central Florida Audit Wrap Up Fiscal Year End 6/30/19" (attachment) provided by Mr. David 	Ms. Ford made a motion to accept the 2 CFR 200 Audit Report for Fiscal Year 2018-19. Mr. Winterkamp



	<p>Caplivski with Grau & Associates, CSCF's independent auditor.</p> <p>Highlights from audit wrap-up presentation:</p> <ul style="list-style-type: none"> – Unmodified opinion issued for financial statements and statement of expenditures of federal awards – No internal control findings – No deficiencies or material weaknesses <p><u>Procurement Policy – Proposed Revisions</u></p> <ul style="list-style-type: none"> • Reviewed following two proposed revisions: <ol style="list-style-type: none"> 1) Section 5A 3 c): “Bids and Formal Requests for Proposals”: change to “Executive Committee” instead of “Board of Directors” for approval to issue a solicitation and its material elements. This revision does not affect full board making final procurement decision. 2) Table of Authorities: raise the threshold from \$5,000 to \$10,000 for required signature of VP/CFO and department VP's. <p><u>Office Furniture Procurement – West Orange Career Center (attachment):</u></p> <ul style="list-style-type: none"> • Reviewed procurement process and CSCF's recommendation to select Empire as furniture vendor for West Orange Career Center. This is second time CSCF would use Empire this fiscal year, as vendor was used for CSCF's Osceola Career – which would be bring grand total purchases over \$150,000 threshold. <p><u>Mid-Year Financials (attachment)</u></p> <p>Reviewed financials through 12/31/19, as well as mid-year comparison current year vs. previous year.</p> <p><u>Facilities Subcommittee</u></p> <p>Audit and Finance Committees discussed and concurred on the advantage of forming ad hoc subcommittees, as needed, to support and expertly guide admin staff during lease negotiations, estimates for buildouts, and other similar situations beyond staff's scope of expertise.</p>	<p>seconded; motion passed unanimously.</p> <p><i>Staff to delineate net assets coming from government funds vs. other revenue for next year's audit.</i></p> <p>Mr. Walton made a motion to approve revisions to Procurement Policy as presented and forward to Board under Consent Agenda. Ms. des Anges seconded; motion passed unanimously.</p> <p>Ms. des Anges made a motion to move to Board for approval the selection of Empire as preferred vendor of office furniture purchases for West Orange Career Center. Mr. Turlington seconded; motion passed unanimously</p>
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6	Other Business Reviewed letter from Office of Inspector General confirming allegation was unsubstantiated (attachment).	
7	Adjournment Meeting adjourned at 12:37 p.m.	

Respectfully submitted,

Kaz Kasal
Executive Coordinator



DRAFT
Finance Committee Meeting

Tuesday, June 9, 2020 / 2:30 p.m.

MINUTES

MEMBERS PRESENT: Eric Ushkowitz, Keira des Anges, Matt Walton and Mark Wylie

MEMBERS ABSENT: Wendy Brandon, Glen Casel , Nicole Guillet and Daniel Turlington

STAFF PRESENT: Pam Nabors, Leo Alvarez and Kaz Kasal

GUEST PRESENT: Joe DeBello / Chepenik Financial

Agenda Item	Topic	Action Item / Follow Up Item
1	Welcome Mr. Ushkowitz, Finance Committee Chair, called meeting to order at 2:32 p.m.	
2	Roll Call / Establishment of Quorum Ms. Kasal, Executive Coordinator, reported a quorum present.	
3	Public Comment None Offered.	
4	Action Items <u>Approval of Minutes</u> <ul style="list-style-type: none"> Reviewed draft minutes from 4/8/20 Finance Committee Meeting 	Mr. Walton made a motion to approve the minutes from the 4/8/20 Finance Committee Meeting. Ms. des Anges seconded; motion passed unanimously.
5	Information / Discussion / Action Items <u>403(b) Retirement Plan – CARES Act Provisions 1,2, and 3</u> <ul style="list-style-type: none"> Mr. Joe DeBello with Chepenik Financial provided an update of CSCF's retirement plan, user activity, and details on the CARES Act provisions (attachment). Committee concurred to keep 403(b) retirement plan as is and not adopt any of the provisions. <u>Financial Reports</u> <ul style="list-style-type: none"> Reviewed financials through 4/30/20 (attachment). Training funds not spent, due to COVID-19 situation, will be carried in to new fiscal year. <u>Approval of Fiscal Year 20-21 Budget</u> <ul style="list-style-type: none"> Reviewed Fiscal Year 20-21 Budget (attachment). 	Mr. Walton made a motion to move to Board the recommendation to approve 20-21 draft budget. Ms. des Anges seconded; motion passed unanimously.



	<u>Facilities Update</u> <ul style="list-style-type: none"> Reviewed lease renewal terms for the CSCF Admin office (attachment). 	Mr. Wylie made a motion to move to Board the recommendation to approve staff continuing lease negotiations and renewing CSCF Admin office lease prior to 7/31/20. Ms. des Anges seconded; motion passed unanimously.
6	Other Business None offered.	
7	Adjournment <ul style="list-style-type: none"> There being no other business, the meeting was adjourned at 3:23 p.m. 	

Respectfully submitted,

Kaz Kasal
 Executive Coordinator

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INFORMATION / DISCUSSION / ACTION ITEMS



Audit Committee Charter

Purpose:

The Audit Committee reports to the Board of Directors and, also, provides a level of oversight on behalf of the local chief elected officials on the Central Florida Workforce Investment Consortium. The Committee is charged with the following tasks:

1. Approve the annual audit as presented by the external auditors.
2. Evaluate audit findings, make recommendations, and planned management improvements in light of the risk assessment reported by the external auditors.
3. Review annual fiscal compliance as presented by the Department of Economic Opportunity.

Responsibilities:

- Oversees the annual audit(s) of CSCF as required under applicable laws, regulations or directives (2 CFR 200). This includes approval of the annual audit plans, receiving and reviewing the audit from the independent auditor.
- Makes recommendations to the Board of Directors on the selection of an independent auditor to include the auditor's contract terms of engagement.
 - *Metric: Annual independent audit conducted and received by Audit Committee. Goal is to help management attain an unqualified audit each year.*
- Reviewing CSCF's responses to any adverse findings regarding the financial audit, 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.
 - *Metric: If applicable, approve any Management responses to independent audit and/or OIG investigative reports and have 100% acceptance of responses.*
- Providing oversight of CSCF through review of monitoring reports and audits of the organization.
- Reviewing and evaluating CSCF's ethics and conflict-of-interest policies and procedures and, whenever the Chair of the Board or the committee deems appropriate, investigating any alleged violations of such policies and procedures.

Skills/Expertise/Requirements:

- 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.
- Have unrestricted access to management and employees of the Central Florida Regional Workforce Development Board, Inc. (Corporation), as well as to all financial records.

**Structure:**

- Membership on the Committee consists of Board members appointed by the Chair, and county staff designated by each Chief Elected Official from the Local Elected Consortium.
- The Committee Chair is appointed by the Board Chair and is responsible to report on the Committee activities at the full Board meeting.
- Meetings shall be held not less than two (2) times per year.
- Agenda and minutes are kept and published on the CSCF website, and supplied to Committee members via email one week prior to the meetings.

CareerSource Central Florida Audit Committee Meeting Fiscal Year 2020 *10/13/2020*



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Agenda

- Audit Objectives
- Audit Plan

Audit Objectives

- Objectives of the audit are to
 - Express an opinion on the Financial Statements
 - Express opinions on Federal compliance
 - Report on internal control
- Audit performed under Government Auditing Standards and Uniform Guidance



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Audit Objectives

Reports on Internal Control over Financial Reporting and Compliance

- Among other things Internal Control is the system of mechanisms, rules, and procedures implemented by an organization to ensure reliable financial reporting, to ensure compliance with laws, regulations and policies, and to prevent fraud.
- We consider CSCF's Internal control to determine audit procedures.
- We do not issue an opinion on effectiveness of CSCF's internal control.
- We do report if we identify any material weaknesses or significant deficiencies in CSCF's internal control.



Audit Plan

- Preliminary internal control procedures
- Year end procedures



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Preliminary Internal Control Procedures

- Make inquiries of finance and program staff to gain an understanding of internal control environment
- Test internal controls over several areas;
 - Disbursements
 - Payroll
 - Cash
 - Credit Cards



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Year end procedures

- Financial statements
 - Test account balances via analytical procedures, detailed test of transactions
 - Presentation and disclosure
- Compliance Audit
 - Test controls and compliance for major programs



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Committee Comments and Questions

- Comments
- Questions



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Finance Committee Charter

Purpose:

The Finance Committee reports to the Board of Directors and is charged with providing review, policy guidance and strategic oversight of the Boards financial matters to include:

1. Develop the Board's annual budget and review regularly; approve amendments as necessary.
2. Oversee the accounts of the Board and review of the Board's periodic financial statements,
3. Financial oversight of the Board's retirement plan and employee benefits plan.
4. Oversight of all Board real estate activities.

Responsibilities:

- Provide ongoing evaluation of the Board's budget and recommend appropriate action to the Board as necessary.
 - *Metric: Evaluate the Boards budget against expenditures to ensure alignment between expenditures and approved budget. Make adjustment recommendations when necessary.*
- Develop a new budget each year for submission to the Board for approval.
 - *Metric: Present a budget that is approved by the Board and Consortium each year in June.*
- Review periodic financial statements of the Board, making recommendations for action to the Board as needed.
 - *Metric: Review periodic financial statements to ensure full compliance. The goal is an unqualified audit opinion each year from an independent auditor.*
- Regularly review the retirement plan and benefits for CareerSource Central Florida employees.
 - *Metric: Review plan assets and make plan adjustments when necessary with the goal of increasing the overall quality of the plan.*
- Recommend appropriate action to the Board regarding the addition, deletion or major structural changes to leased offices.

Skills/Expertise:

- Willingness to serve through Board participation and engagement with the organization.
- Interest in board leadership.
- Prior experience as a board member desired.
- Prior experience with financial oversight or operations desired.

**Structure:**

- The Board Treasurer is the Chair of the Finance Committee. The Committee Chair and is responsible to report on the Committee activities at the full Board meetings.
- The Chair of the Board will appoint other members of the Committee who are recommended by the Treasurer.
- The Committee will consist of at least three members.
- Meetings shall be held not less than four times per year.
- Agenda and minutes are kept and published on the CareerSource Central Florida website and supplied to committee in written form via email one week prior to meetings.

Budget Versus Actual Report

As of 08/31/20

10/12/2020 1:36 PM

CareerSource Central Florida
Current Year Budget and 2 yr Expenditure Comparison
As of 08/31/20

	CY	PY	\$	%
Funding Sources	Revenue	Revenue	Difference	Difference
Carry In Funds From FY 19 - 20	7,500,000	6,500,000	1,000,000	
FY 20 - 21 Award	33,500,000	26,000,000	7,500,000	
Award Total - Available Funds	41,000,000	32,500,000	8,500,000	
LESS planned Carryover For FY 21 - 22	(2,500,000)	(2,300,000)	(200,000)	
Total Available Funds Budgeted	38,500,000	30,200,000	8,300,000	27.5%

	Budget	CY Expenditures	PY Expenditures	\$ Difference	% Difference
Salaries/Benefits	15,180,000	1,973,344	2,002,715	(29,371)	-1.5%
Career & Youth Services	17,200,000	2,945,735	3,283,567	(337,832)	-10.3%
Professional Fees	790,000	34,700	23,319	11,381	48.8%
Outreach	500,000	60,660	100,621	(39,961)	-39.7%
Infrastructure/Maintenance & Related Cost	3,275,000	330,184	593,544	(263,360)	-44.4%
IT Cost/Network Expenses	1,200,000	271,668	184,478	87,190	47.3%
Staff Development & Capacity Building	355,000	31,842	15,386	16,456	107.0%
TOTAL EXPENDITURES	38,500,000	5,648,133	6,203,631	(555,498)	-9.0%

	BUDGET	CY ACTUAL	PY ACTUAL
ITA %	30.0%	37.6%	54.8%
ADMINISTRATIVE COST %	8.0%	8.8%	9.2%



ACTION

To: Finance Committee
From: Facilities Ad-Hoc Committee
Subject: CareerSource Central Florida - Facilities
Date: October 13, 2020

Purpose:

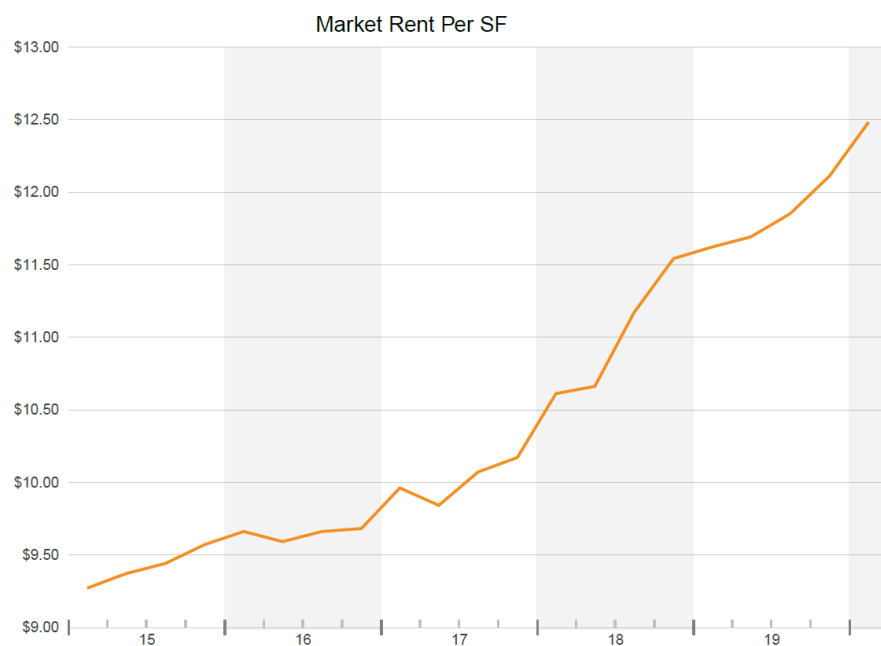
CareerSource Central Florida's Seminole County facility lease expires on June 30, 2021. The purpose of this memo is to provide information on the current lease terms, market rates, and renewal options provided by the landlord.

Background:

Current Lease Terms for Seminole County Office:

<u>1209 West Airport Blvd, Sanford</u>
Lease Size: 10,031
Term: Initial term 62Mo. (05/01/14 to 06/30/19) w/ 2 Yr. Extension (06/30/21)
Current Rate: \$12.53 per sq./ft. (NNN Lease)
Annual Rent Escalation: 3%
Renewal Option: One Five Year Option with written notice 6 mo. Prior to Exp.

Current Rental Market Rate in Seminole County:



Renewal Options:

CareerSource Central Florida as the landlord of the Seminole County office to provide two renewal options for The Facilities Ad-Hoc Committee to consider, a short-term two year option and a five year option.

Option 1 - 2 year renewal, with 3.5% annual base rent escalations, CAM adjustment from \$2.10 psf to \$2.20 psf and, space to remain as is,

Option 2 - 5 year renewal, with 2% annual base rent escalations, CAM adjustment from \$2.10 psf to \$2.20 psf and, Brio to bear the cost of painting the space throughout (estimated at a cost of \$15,000) plus, Brio will contribute an additional \$15,000 towards any addl. desired renovations. Any additional renovation costs above paint and the additional \$15,000 allowance is to be amortized over the 5 year renewal term at 5.5%.

Action:

The Facilities Ad-Hoc Committee recommends that the Finance Committee approve staff to continue lease negotiations and to renew its Seminole County office lease prior to the June 30, 2021 renewal.

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ADJOURNMENT

THANK YOU!

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