



**What:** Audit Committee Meeting  
**When:** Thursday, September 20, 2018  
 2:00 p.m. – 3:30 p.m.  
**Where:** Hanson, Walter & Associates, 8 Broadway, Suite 104, Kissimmee, FL  
**Virtual:** GoToMeeting (remote attendees):  
 > <https://global.gotomeeting.com/join/326751757>  
 > **Dial In: 1 866 899 4679 / Access Code: 326-751-757**  
**Board Priorities:** Analyze the Business | Engage the Talent

Item	Topic	Presenter	Action Item
1.	Welcome		
2.	Roll Call / Establishment of Quorum	Kaz Kasal	
3.	Public Comment		
4.	Action Item		
	A. 11/28/17 Audit Committee Meeting Draft Minutes	Larry Walter	X
5.	Information		
	A. Charter Review	Larry Walter	
	B. Fiscal Year 2017-2018 Audit Planning	Grau & Associates	
	C. Results of Fiscal Year 2017-2018 DEO Monitoring Report	Leo Alvarez	
6.	Other Business		
7.	Adjournment		

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**Next Meeting:**

- > Board Meeting/Information Session: 9/27/18, 10:00 am - 1:00 pm  
Heart of Florida United Way, 1940 Traylor Blvd., Orlando, FL 32804
- > Audit Committee Meeting: 11/29/18, 2:00 pm - 3:30 pm  
Hanson, Walter & Associates, 8 Broadway, Suite 104, Kissimmee, FL

**DRAFT**  
**Audit Committee Meeting**

**CareerSource Central Florida – Administration Office**  
**390 N Orange Ave., Suite 700**  
**Orlando, FL 32801**

**Tuesday, November 28, 2017**  
**2:30 p.m.**

**MINUTES**

**MEMBERS PRESENT:** Eric Ushkowitz, Edward Bass, Leland Madsen, Michael McDonald, Margaret McGarrity,

**MEMBERS ABSENT:** Kristy Mullane, Olga Rabel and Chuck Todd

**STAFF PRESENT:** Leo Alvarez and Kaz Kasal

**GUESTS PRESENT:** Raquel McIntosh / Grau & Associates

Agenda Item	Topic	Action Item / Follow Up Item
1	<b>Welcome</b> Mr. Ushkowitz, Audit Committee Chair, called the meeting to order at 2:33 pm	
2	<b>Roll Call / Establishment of Quorum</b> Ms. Kasal, CSCF Executive Coordinator, reported a quorum present.	
3	<b>Public Comment</b> None Offered.	
4	<b>Approval of Minutes</b> Reviewed the 10/9/17 Joint Meeting of Audit and Finance Committee Meeting.	<b>Ms. McGarrity made a motion to approve the minutes from the 10/9/17 Joint Meeting of Audit and Finance Committees. Mr. McDonald seconded; motion passed unanimously.</b>
5	<b>Information/Discussion/Action Items</b>	
	<u>Presentation from Grau &amp; Associates</u> Reviewed presentation entitled “CareerSource Central Florida Audit Wrap Up Fiscal Year end 6/30/17” (attachment) provided by Ms. Raquel McIntosh, Partner with Grau & Associates, CSCF’s new independent auditor. Ms. McIntosh commented that audit went smoothly and staff responded in a timely and professional manner.  Highlights from audit wrap-up presentation: <ul style="list-style-type: none"> <li>– Unmodified opinion issued for financial statements and statement of expenditures of federal awards</li> <li>– No internal control findings</li> <li>– No deficiencies or material weaknesses</li> </ul>	<b>Ms. McGarrity made a motion to accept the 2 CFR 200 Audit Report for Fiscal Year 2016-17. Mr. McDonald seconded; motion passed unanimously.</b>

	<p><b>Review of Audit Committee Charter</b> Following changes recommended:</p> <ul style="list-style-type: none"><li>– Under “Roles and Responsibilities” reviseg 1<sup>st</sup> bullet to replace “OMB Circular A-133” with “2 CFR 200.”</li><li>– Revise the 3<sup>rd</sup> bullet under the section “Authority” by adding “Central Florida Regional Workforce Development Board, Inc.” before the word “Corporation” –as this will define “Corporation” throughout rest of Charter.</li></ul> <p>The Audit Committee concurred on both recommended revisions.</p>	<p><b>Mr. McDonald made a motion to approve the edits, as notated, in the Audit Committee Charter. Ms. McGarrity seconded; motion passed unanimously.</b></p>
6	<p><b>Other Business</b> None offered.</p>	
7	<p><b>Adjournment</b> Meeting was adjourned at 2:51 p.m.</p>	

Respectfully submitted,

Kaz Kasal  
Executive Coordinator

## 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 Central Florida Regional Workforce Development Board, Inc. (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:

- Overseeing the annual audit(s) of the Corporation's programs required under applicable laws, regulations or directives (2 CFR 200), 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 Chair 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.

# Audit Committee Meeting Fiscal Year End 6/30/2018 September 20, 2018



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

# Agenda

- Conduct of Audit
- Audit Timing
- Audit Plan
- Committee Concerns

# Conduct of Audit

- Single Audit
  - Financial Statement
  - Compliance
- Audit performed under Government Auditing Standards and Uniform Guidance
- Will issue an opinion on the following;
  - financial statements and the schedule of expenditures of federal awards (SEFA) in relation to the financial statements
  - compliance of each major program



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS



# Conduct of Audit

- Will not issue an opinion on;
  - Effectiveness of internal controls (financial reporting and compliance)



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

# Audit Timing

<u>Deliverable</u>	<u>Due Date</u>
Preliminary items by CSCF to Grau	9/21/2018
Fieldwork list by Grau to CSCF	9/28/2018
Fieldwork items pulled by CSCF	10/5/2018
Grau onsite fieldwork	10/8 to 10/12



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

# Audit Plan

- Internal Control Procedures
- Year end procedures



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

# 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
- Conduct fraud interviews with several employees



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

# 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
- Overall Risk Areas
  - Cost allocations
  - Payroll
  - Procurement of contracts



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

# Committee Concerns

- Areas of concern
- Questions



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

**2017-18 Financial Compliance Monitoring Report**  
**CareerSource Central Florida**  
**Local Workforce Development Board No. 12**

**Bureau of Financial Monitoring and Accountability**  
**Florida Department of Economic Opportunity**

*September 18, 2018*

107 East Madison Street  
Caldwell Building  
Tallahassee, Florida 32399  
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**2017-18 Financial Compliance Monitoring Report**  
**CareerSource Central Florida**  
**Local Workforce Development Board No. 12**  
Period Reviewed: July 1, 2017 – March 31, 2018

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## I. INTRODUCTION AND MONITORING APPROACH

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As set forth in the following authoritative publications, annually the Department of Economic Opportunity (DEO) is required to perform monitoring of its subrecipients:

- Workforce Innovation and Opportunity Act (WIOA), Section 184
- 31 USC 7502(f)(2)(B), Single Audit Act Amendments of 1996, (Pub. L.104-156)
- 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 20 CFR 667, Administrative Provisions Under Title I of the Workforce Investment Act
- Federal granting agency regulations, including:
  - 29 CFR 95.21 and 97.20, Standards for financial management systems
  - 29 CFR 95.51 and 97.40, Monitoring and reporting program performance

The DEO, Bureau of Financial Monitoring and Accountability (FMA) uses its financial monitoring tool (tool) as a guide to conduct the monitoring. The tool was developed to provide the framework for monitoring activities performed by FMA as well as the criteria used to monitor. This tool was provided to the Local Workforce Development Board (LWDB).

The sample size and selections for each tool objective was based on, but not limited to, a risk assessment performed by FMA and reviews of the monthly general ledger and cost allocation statistics. The risk assessment includes factors such as the funding allocation to each LWDB; results of prior monitoring and audit reports; personnel and staffing changes; and organizational structure. Sample selections assist the monitors in the following:

- Gaining an understanding of the financial management systems processes and assess whether the policies and procedures provide for accurate, current and complete disclosure of the financial results of each grant program.
- Gaining an understanding of the internal control processes and assessing whether the internal controls reasonably assure compliance with federal laws, regulations, and program compliance requirements.
- Determining if appropriate and sufficient cash management and revenue recognition procedures are in place, being followed, and comply with federal and state requirements.

- Determining if the required reconciliations between the financial records and OSMIS/SERA have been appropriately performed on a timely basis and adequately documented.
- Determining if prepaid program items are adequately or accurately safeguarded, managed, tracked and reported.
- Determining if the cost allocations are accurate, supported and consistent with the cost allocation plan.
- Determining if payroll records are properly maintained for employees; if personnel activity reports (PAR) comply with applicable cost principles; and verify salary and benefit costs are charged/allocated to funding sources in accordance with the PAR and the cost allocation plan.
- Determining if salary and bonuses paid to employees and charged to ETA grant programs do not exceed the ETA Salary and Bonus Cap for the calendar year.
- Determining if purchasing/procurement transactions comply with the appropriate federal or state procurement laws, and the organization's procurement policies.
- Determining if the LWDB's contracting process and contract monitoring comply with federal and state requirements, and the organization's contracting policies.
- Determining if the LWDB's subawarding and subrecipient monitoring activities comply with federal requirements, and the organization's policies and procedures.
- Determining if property management activities comply with federal requirements and the organization's policies and procedures.
- Determining if non-payroll related disbursements are reasonable, necessary, allocable and properly recorded in the financial records.

This report was prepared at the conclusion of the Department of Economic Opportunity's (DEO) financial monitoring activities performed for LWDB-12, and included the annual on-site visit, which began on January 16, 2018.

The FMA monitoring team assigned to the LWDB consisted of Lisa Milton, Maureen Castaño, Janice Hutchison.

## II. EXIT CONFERENCE

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### Exit Conference

An exit conference was conducted on site on January 19, 2018, with LWDB representative Leo Alvarez, Chief Financial Officer. There were no issues to date to report.

### III. MONITORING RESULTS

FMA performed financial monitoring procedures based on the DEO 2017-18 Financial Monitoring Tool. The monitoring procedures performed included tests of transaction details, file inspections, and inquiries (1) to determine the status of recommendations from the prior year monitoring visit(s) and (2) to adequately support current year findings, other non-compliance issues and observations. Detailed information for these items is disclosed in the following section of this report.

Summarized below are the results of testing by category as detailed in the DEO 2017-18 Financial Monitoring Tool:

<b>2017-18 Monitoring Results</b>				
<b>Category</b>	<b>Findings</b>	<b>Issues of Non-Compliance</b>	<b>Observations</b>	<b>Technical Assistance Provided</b>
1.0 – Prior Year Corrective Action Follow-Up	-	-	-	-
2.0 – Financial Management Systems	-	-	-	-
3.0 – Internal Control Environment	-	-	-	-
4.0 – Cash Management and Revenue Recognition	-	-	-	-
5.0 – OSMIS/SERA Reporting and Reconciliation	-	-	-	-
6.0 – Prepaid Program Items	-	-	-	-
7.0 – General Ledger and Cost Allocations	-	-	-	-
8.0 – Payroll and Personnel Activity Report (PAR) Testing	-	-	-	-
9.0 – ETA Salary and Bonus Cap	-	-	-	-
10.0 – Purchasing	-	-	-	-
11.0 – Contracting / Contract Monitoring	-	-	-	-
12.0 – Subawarding / Subrecipient Monitoring	-	-	-	-
13.0 – Property Management	-	-	-	-
14.0 – Disbursement Testing	-	-	-	-
<b>TOTAL</b>	-	-	-	-

## **IV. FINDINGS**

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There were no findings during the monitoring period of July 1, 2017 – March 31, 2018.

## **V. ISSUES OF NON-COMPLIANCE**

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There were no other non-compliance issues during the monitoring period of July 1, 2017 – March 31, 2018.

## **VI. OBSERVATIONS**

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There were no observations during the monitoring period of July 1, 2017 – March 31, 2018.

## **VII. TECHNICAL ASSISTANCE**

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There was no technical assistance during the monitoring period of July 1, 2017 – March 31, 2018.