



AUDIT COMMITTEE

AGENDA ITEM NUMBER: 2A

DATE: December 18, 2014 at 8:00AM

AGENDA ITEM SUBJECT: MEETING MINUTES

October 30, 2014 at 8:00am
 CareerSource South Florida Headquarters
 7300 Corporate Center Drive, Suite 500
 Miami, FL 33126

COMMITTEE MEMBERS IN ATTENDANCE	COMMITTEE MEMBERS NOT IN ATTENDANCE	OTHER ATTENDEES
1. Piedra, Obdulio, <i>Chairperson</i> 2. Bridges, Jeff 3. Datorre, Roberto 4. Gibson, Charles A., <i>Vice Chairperson</i> 5. Montoya, Rolando 6. Zewadski-Bricker, Edith	7. Adrover, Bernardo 8. Carpenter, Willie 9. Chi, Joe SFW STAFF Beasley, Rick Alonso, Gustavo Garcia, Christine Jean-Baptiste, Antoinette Quinones, Dulce	Allison, Carsheena – <i>Watson Rice, LLP</i> Thompkins, Ronald – <i>Watson Rice, LLP</i>

Agenda items are displayed in the order they were discussed.

1. Call to Order and Introductions

Audit Committee Chairman Obdulio Piedra called the meeting to order at 8:11am, asked those present introduce themselves and noted that a quorum of members had been achieved.

2.A. Approval of the Audit Committee Meeting Minutes for June 19, 2014

Dr. Montoya moved the approval of June 19, 2014 meeting minutes. Motion seconded by Mr. Roberto Datorre; **Motion Passed Unanimously**

2.B. Approval of the Audit Committee Meeting Minutes for July 21, 2014

Mr. Datorre moved the approval of July 21, 2014 meeting minutes. Motion seconded by Vice-Chairman Charles Gibson; **Further Discussion:**

Dr. Montoya requested that moving forward, all responses to questions asked by members of the Board should be detailed in the minutes.

Motion Passed with Unanimous Consent

3. Information – Status of 2013-14 Fiscal Audit

Chairman Piedra introduced the item and Finance Assistant Director, Gus Alonso further presented on behalf of TCBA Watson Rice, LLP that could not be present.

Mr. Datorre asked whether the auditors are currently on schedule. Mr. Alonso responded that they currently are. Chairman Piedra added that the final report will be timely reported to the State. Mr. Alonso also mentioned that the reports are submitted to the Department of Children and Families (DCF) (due in January), the Department of Economic Opportunity (DEO) (due in January) and Federal Government (due in March).

Chairman Piedra recommended the final report be prepared in a timely matter in order to submit to the full board for final approval. Mr. Alonso assured this would be done.

4. Information - External Audit/Monitoring Activity Report

Chairman Piedra informally introduced the item and Mr. Alonso briefly presented. Mr. Alonso briefly discussed a finding related to being in compliance with the “clean air act.”

Mr. Datorre Requested additional information regarding the term, “clean air act” and Mr. Alonso explained it is a regulation by the United States Environmental Protection Agency (EPA) that all vendors must comply to.

Chairman Piedra inquired about corrective action taken. Mr. Alonso explained that the clause is included in the language of every contract. Chairman Piedra also inquired about the observation and Mr. Alonso explained they were required to identify which funding would be used.

Chairman Piedra requested that in the future, staff provide a copy of the actual contract for the members to review. Dr. Montoya concurred.

[Mr. Willie Carpenter arrived]

It was recommended that in order to avoid printing the entire contract for each member, to provide only the corrected sections of the contract in highlighted form.

Chairman Piedra recommended staff revise the report to clarify which auditor is being referred to when the language, “audit general” is being referenced.

Mr. Carpenter briefly gave an update on the status of Sharpton Brunson & Company.

5. Information - Internal Monitoring Activity Report

Chairman Piedra introduced the item and Mr. Alonso further presented and reviewed with the Committee the quality assurance review results.

Chairman Piedra inquired about the common denominator for Wagner Peyser (WP) PY13-14 which shows a 30% error rate. Contracts Compliance Supervisor, Dulce Quinones explained that it was probably due to eligibility issues.

Mr. Bridges questioned whether there would be disallowances as a result of the high error rate. Ms. Quinones explained that participant might have been eligible, but did not submit the proper documents in a timely manner.

Chairman Piedra inquired about the term, POCA. Ms. Quinones defined it as, "Plan of Corrective Action." He further asked whether the issues have a direct correlation with training, volume, or "sloppiness." Ms. Quinones responded that most are due to lack of supervision and/or quality control.

Mr. Bridges requested a yearly report showing year-to-year quality improvement performances (showing annual comparisons) be provided to the Committee at a later date.

There was continued discussion regarding the monitoring of performances and performance outcomes.

Chairman Piedra inquired about the fiscal component, which shows no reporting issues. Mr. Alonso explained that there are no issues to report, due to the fact the new fiscal year had just begun. Ms. Quinones added that it had also been due to the Request for Proposals (RFP) and review of OMB's that staff had been working on.

Mr. Datorre inquired about the reporting period for the stated findings. Mr. Alonso responded, for Program Year July 1, 2013 to June 30, 2014. He further asked whether the findings were for only UNIDAD of Miami Beach for that particular period and whether KRA Corporation had also be monitored. Mr. Alonso explained that KRA Corporation is being monitored and audited for this fiscal year (July 1, 2014 to June 30, 2015).

Mr. Alonso discussed and distributed a detailed spreadsheet (untitled) that staff prepared to provide information that explains the nature of the mistakes found (findings) within each funding source.

Dr. Montoya commented that he likes the fact it provides year comparisons. Chairman Piedra concurred.

Mr. Datorre asked how staff would complete the spreadsheet. Mr. Alonso explained that it would list the amount of findings in each category. Chairman Piedra liked the concept; however, recommended the overall error rate be listed by program per career center. Dr. Montoya suggested making it simpler by adding an additional column called, "prior year comparisons."

Vice-Chairman Gibson requested an additional column called, "repeat findings" too.

Prior to meeting adjournment, Chairman Piedra inquired about the status of the recently implemented Automatic Clearing House (ACH) system. Mr. Alonso responded that it's been extremely successful. He however noted a few minor glitches (approval procedure, automatic reimbursements due to error or disallowances).

Dr. Montoya asked whether monies owed are automatically deducted from the next scheduled ACH payment in cases where monies were not refunded via ACH due to an error or as of result of disallowance. Mr. Also responded, "Yes" and explained that there are multiple ways of recovering monies owed to the agency.

Mr. Datorre asked whether there is any way this agency is able to assist those contractors that are short on cash flow. Chairman Piedra responded that he doesn't feel it is the agency's responsibility to assist contractors with cash flow issues as he recommended contractors identify strategic ways to operate more efficiently and have more fundraisers to cover issues with cash flows. Executive Director Rick Beasley appeared before the

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Committee and concurred to Chairman Piedra's comment by explaining that cash flow assistance had been done in the past when he first began his tenure as Executive Director for this agency, which brought about unsuccessful outcomes.

Chairman Piedra inquired about the monitoring of training vendor performances. Mr. Beasley responded that the consumer report card monitors placement information.

Ms. Zewadski-Bricker asked whether there's a fiscal impact when a contractor is being replaced by another. Mr. Beasley responded, "No."

There being no further business to come before the Committee, the meeting adjourned at 8:43am