

3. Information - Financial Report – June 2022

Vice-Chairman Roth introduced the item; Ms. Bennett presented unaudited financials for July 1, 2021 – June 30, 2022.

Budget Variances

- Expenditures are on target based on the preliminary soft closing for the month of June 2022
- Headquarter costs are running at 76.3%, which follows the historical trend.
- Youth Services are at 80.6%; vast improvement with enrollment over the last quarter.
- Other Programs & Projects expenditures are at 65.7%
- Facilities expenditures are at 67.1%
- Adult Programs are at 68.6% which is aligned with other workforce boards across the state.

Ms. Bennett reviewed the agency summary of expenses for all departments through June 30, 2022, reminding the Council that the information provided is preliminary data from the soft closing. Vice-Chairman Roth inquired if the Council will see the results of the close-out during the next meeting. Ms. Bennett advised that the Council will begin seeing financial data for the new fiscal year during the October 20, 2022 meeting. The close out data may not be available for a couple of months to allow for adjustments and feedback from the audit, which begins in September.

There were no questions or further discussion.

4. Information - Bank Reconciliation – June 2022

Vice-Chairman Roth introduced the item; Ms. Bennett continued the presentation to discuss the bank reconciliation for June 2022.

Ms. Bennett explained that the check for Take Stock in Children was voided and re-issued. CSSF account information changed; the check was voided and re-issued to ensure the change was captured.

[Mr. Gibson joined the meeting and introduced himself. **Quorum established.**]

Ms. Bennett reviewed the reconciliation report, dated July 31, 2022.



There were no questions or further discussion.

With the establishment of quorum, Vice-Chairman Roth presented agenda items 2A and 2B to the Council for review, comments/corrections, and approval.

2A. Approval of Finance and Efficiency Council Meeting Minutes – April 28, 2022

Motion by Mr. Gibson to approve the Finance and Efficiency Council meeting minutes from April 28, 2022.

Ms. Glean-Jones seconded the motion; **item is passed without dissent.**

2B. Approval of Finance and Efficiency Council Meeting Minutes – June 30, 2022

Vice-Chairman Roth asked for clarification on location of meeting. Mr. Petro confirmed that the June 30th meeting was held virtually.

Motion by Ms. Glean-Jones to approve the Finance and Efficiency Council meeting minutes from June 30, 2022.

Mr. Gibson seconded the motion; **item is passed without dissent.**

5. Information – Activity Report – Fiscal Monitoring Activity Reports

Vice-Chairman Roth introduced the item; Ms. Bennett further presented the OCI Fiscal Monitoring Activity Report for the period of June 1, 2022 through July 31, 2022.

The following organizations were included in the monitoring report: Arbor E&T, LLC and Cuban American National Council, Inc. (CNC).

- **Arbor E&T, LLC.** - Received two (2) new findings; five (5) repeated findings, and one (1) observation, namely:
 - 1) Non-compliance with Level 2 background screening requirement
 - 2) Approved salary for Administrative Assistant was understated in the budget.
 - 3) Five (5) Repeated Findings:
 - a. Missing the Affirmation/Acknowledgment Form, which confirms Level 2 background screening completion. Level 1 was completed.
 - b. Final Indirect Cost Rate Proposal outstanding.
 - c. Sampled expenditures did not follow the cost distribution as detailed in the invoice.
 - d. Sampled expenditures from last period were labeled as current.
 - e. Vendor payments for sampled expenditures were late.

Minutes Prepared by: Ebony Morgan
SFWIB Finance & Efficiency Council Meeting
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Page 3 of 5



- 4) Observation: Arbor allocated expenses to the GL account #35022 (i.e., the CSSF Refugee Employment and Training Program); however, the program concluded in advance of this monitoring visit.

Mr. Gibson asked for detail on the dollar amount associated with the cost distribution finding. Ms. Bennett advised that she would check with OCI for additional details and report back to the FEC.

Vice-Chairman Roth inquired about the process of ensuring that corrections are made to any findings discovered in this process. Ms. Bennett advised that providers are required to submit a Corrective Action Plan (CAP) within 30 days of receipt of notification. The CAP must address any finding presented during the review process.

Mr. Datorre inquired if additional samples are requested if findings are discovered in the initial selection. Mr. Bennett advised that OCI may request additional samples for further verification.

Mr. Gibson shared that he has seen findings similar to the ones under review; however, the lack of specifics (e.g., dollar amount, next steps, etc.) makes it difficult to ascertain the seriousness of a finding.

Mr. Gibson inquired if payment has been issued to Arbor in spite of the findings. Ms. Bennett advised that Arbor has not been closed out for the year, as such if disallowances are incurred, we can remove the amount owed from the balance.

Mr. Gibson inquired about the balance owed. Ms. Bennett advised that she does not have the exact number; however, June invoices have not been received for all three AMO locations.

Vice-Chairman Roth asked that Ms. Bennett follow-up with OCI and advise the Council of the process (and responses received) at the next FEC meeting.

- **Cuban American National Council (CNC)** – Three (3) new findings; two (2) repeat findings; one (1) observation:
 - 1) Three (3) Findings:
 - a. Sample expenditure for shredding services was incorrectly coded for the prior year's performance.
 - b. IRS penalties for payroll taxes were improperly recorded; however, the penalties were not allocated to CSSF's programs.
 - c. Final Indirect Cost Rate Proposal was not submitted on time.
 - 2) Two (2) Repeated findings:



- d. CNC did not submit accurate Financial Closeout Packages to SFWIB within the permitted timeframe for PY 20-21.
 - e. Sampled vendor payments for operational expenses were not paid on time.
- 3) Observation #1: Last Board meeting was held on December 3, 2020; AMO attested that the Board meets a minimum of one (1) time per year.

Vice-Chairman Roth sought to understand if the number of findings presented is typical. Ms. Bennett confirmed that the number of findings are not unusual. Repeat findings are highlighted for the Council's review.

2A. Approval of the Acceptance of Additional Workforce System Funding

Vice-Chairman Roth introduced the item; Ms. Bennett further presented.

Motion by Mr. Gibson to approve the additional workforce system funding.
Mr. Datorre seconded the motion; **item is passed without dissent.**

Vice-Chairman Roth asked if the amount presented for approval will be in addition to the established fiscal year budget. Ms. Bennett confirmed that the funding presented for approval is supplementary to the 2022-23 budget.

There being no further business to come before the Council, meeting adjourned.