



SOUTH FLORIDA WORKFORCE INVESTMENT BOARD

AUDIT

COMMITTEE MEETING

Thursday, December 19, 2013

8:00 AM

Camillus House
1603 NW 7th Avenue, 3rd Floor
Miami, Florida 33136

AGENDA

1. Call to Order and Introductions
2. Approval of Audit Committee Meeting Minute
 - a. October 17, 2013
3. Information – October 2013 Financial Report
4. Information – Cash Reconciliation for November 2013
5. Information – Audit & Monitoring Activity Report
6. Recommendation as to Approval of the PY2012-13 Fiscal Audit
7. Recommendation as to Approval to Implement ACH Capabilities and Revise Accounting Procedures

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AUDIT COMMITTEE

AGENDA ITEM NUMBER: 2A

DATE: December 19, 2013, 8:00AM

AGENDA ITEM SUBJECT: MEETING MINUTES

October 17, 2013 at 8:00am
 Doubletree by Hilton Miami Airport
 Convention Center, 2nd Floor
 711 NW 72nd Avenue
 Miami, Florida 33126

COMMITTEE MEMBERS IN ATTENDANCE	COMMITTEE MEMBERS NOT IN ATTENDANCE	OTHER ATTENDEES
<ol style="list-style-type: none"> 1. Piedra, Obdulio, <i>Chairperson</i> 2. Gibson, Charles A., <i>ViceChairperson</i> 3. Bridges, Jeff 4. Montoya, Rolando 5. Zewadski-Bricker, Edith 	<ol style="list-style-type: none"> 6. Adrover, Bernardo 7. Carpenter, Willie 8. Chi, Joe 9. Datorre, Roberto <p>SFW STAFF Beasley, Rick Alonso, Gustavo Garcia, Christine Quinones, Dulce</p>	<p>Lazarre, Gerri – Watson Rice, LLP</p> <p>Thompkins, Ronald – Watson Rice, LLP</p>

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 8:30a.m., announced that a new member had been appointed to this committee. Dr. Rolando Montoya introduced himself, followed by the rest of the members. Mr. Piedra noted that a quorum had not been achieved.

4. Information – 2012-13 Financial Compliance Monitoring Report

Mr. Piedra introduced the item and SFWIB Assistant Director Gus Alonso further discussed and read the following three issues of non-compliance into record:

1. SFWIB did not have signed statements from the Executive Director, Assistant Director of Finance and Assistant Director of Administration for their monthly travel

allowances, showing the places and distances for an average typical month's travel on official business, and the amount that would be allowed under the approved rate per mile for the travel shown in the statement

2. SFWIB did not include all of the applicable contract provisions required by 29 CFR 97.36(i) for one of the selected monitoring samples.
3. SFWIB did not conduct sub-recipient monitoring in a manner consistent with the policy as stated in the administrative plan.

Mr. Piedra asked whether staff had implemented new procedures, to prevent these issues from recurring. Both SFWIB Executive Director Rick Beasley and Mr. Alonso explained. With regards to second issue, Mr. Piedra inquired about the contract language and Mr. Beasley explained. Dr. Montoya requested additional details regarding issue#2 and Mr. Beasley further explained. There was continued discussion regarding the second issue

Mr. Gibson had questions regarding the observations and Mr. Ronald Thompkins of Watson Rice, LLP and Mr. Alonso provided details. Mr. Bridges further recommended that updated policies and procedures be posted in the employee break rooms.

3. Information – Status of 2012-13 Fiscal Audit

Mr. Piedra inquired about the management's responses to the above issues and Mr. Alonso explained that the Auditors have reviewed and accepted the corrective action plans.

Mr. Piedra introduced Mr. Robert Thompkins, of Watson Rice, LLP, who appeared before the Committee and presented. At the end of his presentation, he noted that the review must go through the process of due diligence in November. Mr. Piedra commented that timeline is successfully coming along according to plan.

Mr. Piedra requested a follow-up of last year's recommendations. He moreover announced that SFW is in the process of converting its accounts payable system into an ACH, and wanted the auditors to review the policies and procedures, to ensure that SFW is in compliance with current standards.

5. Recommendation as to Approval to Proceed with the Project and Negotiate and Award the Auditing Services to Mc. Gladrey, LLP.

Mr. Piedra presented the item.

Ms. Zewadski-Bricker requested additional information and Mr. Piedra provided additional details.

The consensus of the members present recommended this item to the full Board for approval.

Deferred Item:

2. Approval of April 18, 2013 Meeting Minutes

There being no further business to come before the Committee, the meeting was adjourned at 9:09am.



SFWIB AUDIT COMMITTEE

DATE: 12/19/2013

AGENDA ITEM NUMBER: 3

AGENDA ITEM SUBJECT: FINANCIAL STATEMENTS

AGENDA ITEM TYPE: INFORMATION

RECOMMENDATION: N/A

STRATEGIC GOAL: Strong, Timely Reporting Standards for End User Customers and Providers of Services

STRATEGIC PROJECT: Raise the Bar/ One-Stop Performance Consistency

BACKGROUND:

Per the amended SFWIB By-Laws approved at the Board's January 5, 2012 meeting, the Executive Committee subsumes the role of the Finance Committee. The attached un-audited financial report for the month of October 2013 are being presented to the Audit Committee for review and submittal to the Board.

FUNDING: N/A

PERFORMANCE: N/A

ATTACHMENT



SFWIB AUDIT COMMITTEE

DATE: 12/19/2013

AGENDA ITEM NUMBER: 4

AGENDA ITEM SUBJECT: NOVEMBER BANK RECONCILIATION

AGENDA ITEM TYPE: INFORMATION

RECOMMENDATION: N/A

STRATEGIC GOAL: Strong, Timely Reporting Standards for End User Customers and Providers of Services

STRATEGIC PROJECT: Raise the Bar/ One-Stop Performance Consistency

BACKGROUND:

Based on the Internal Control Procedures recommended by the State, the Finance Committee at its April 2, 2009, meeting requested a monthly cash reconciliation report be provided to it. Per the amended SFWIB By-Laws approved at the Board's January 5, 2012, meeting, the Executive Committee subsumes the role of the Finance Committee. The reconciliation report for November 2013 is being presented to the Audit Committee for review and submittal to the Board.

FUNDING: N/A

PERFORMANCE: N/A

ATTACHMENT

**South Florida Workforce
Reconcile Cash Accounts**

**Reconciliation Date: 11/30/13
Cash Account: 1102 Cash -General Operating Account**

	<u>Amount (\$)</u>	<u>Number of Transactions</u>
Beginning Book Balance	1,680,498.92	
Less Checks Drawn	(4,077,843.90)	206
Plus Deposits		
Checks Voided	282,744.51	4
Deposits	4,547,200.09	57
Plus Other Items	(532.60)	2
Unreconciled Items:		
Ending Book Balance	2,432,067.02	
Bank Balance	3,246,170.54	
Less Checks Outstanding	(814,103.52)	54
Other Items:		N/A
Plus Deposits In Transit		
Transfer to operating		N/A
Unreconciled Items:		N/A
Reconciled Bank Balance	2,432,067.02	
Unreconciled difference	0.00	

Prepared by: Odell J. Ford Jr. 12/9/13
Odell J. Ford Jr.

Approved by: [Signature] 12/9/13



SFWIB AUDIT COMMITTEE

DATE: 12/19/2013

AGENDA ITEM NUMBER: 5

AGENDA ITEM SUBJECT: AUDIT & MONITORING ACITIVITY REPORT

AGENDA ITEM TYPE: INFORMATIONAL

RECOMMENDATION: N/A

STRATEGIC GOAL: Strong, timely reporting standards for end user customers and provider of services.

STRATEGIC PROJECT: N/A

BACKGROUND:

At the October 17, 2013, the Chairman of the Audit Committee requested that staff include in all future Audit Committee meeting agendas an activity report of all ongoing and recently completed audits and/or monitorings, indicating the subject matter of the audit, the period covered and the outcomes of the audits.

A summary of the Audit Acitivity Report is attached.

FUNDING: N/A

PERFORMANCE: N/A

ATTACHMENT

FINANCIAL AUDIT/MONITORING ACTIVITY REPORT

Auditor	Description	Period	Status	Report Date	Findings	Observations	Other
TCBA Watson Rice LLP	Annual Financial Statements & OMB A-133 Audit	7/1/12-6/30/13	In Progress as of 10/13	12/19/2013			
Florida Audit General Office	Special ITA Operation Audit	7/1/11-6/30/13	In Progress as of 10/13	TBD			
McGladrey, LLC (DEO)	DEO Annual Monitoring	7/1/12-2/28/13	Completed	8/14/2013	-	2	3
TCBA Watson Rice LLP	Annual Financial Statements & OMB A-133 Audit	7/1/11-6/30/12	Completed	12/14/2012	-	-	-
KPMG, LLP (DEO)	DEO Annual Monitoring	2/1/11-12/31/11	Completed	4/19/12	1	2	-
Sharpton, Brunson & Company P.A.	Annual Financial Statements & OMB A-133 Audit	7/1/10-6/30/11	Completed	11/22/2011	-	-	-
KPMG, LLP (DEO)	DEO Annual Monitoring	1/1/10-1/31/11	Completed	4/27/11	-	2	-
Sharpton, Brunson & Company P.A.	Annual Financial Statements & OMB A-133 Audit	7/1/09-6/30/10	Completed	12/20/2010	-	-	-
Thomas, Howell, Ferguson, P.A. (DEO)	DEO Annual Monitoring	7/1/09-12/31/09	Completed	9/15/10	1	2	-
Sharpton, Brunson & Company P.A.	Annual Financial Statements & OMB A-133 Audit	7/1/08-6/30/09	Completed	12/10/2009	-	-	-
Thomas, Howell, Ferguson, P.A. (DEO)	DEO Annual Monitoring	7/1/08-3/31/09	Completed	5/22/2009	-	-	-
Sharpton, Brunson & Company P.A.	Annual Financial Statements & OMB A-133 Audit	7/1/07-6/30/08	Completed	2/10/2009	-	-	-



SFWIB AUDIT COMMITTEE

DATE: 12/19/2013

AGENDA ITEM NUMBER: 6

AGENDA ITEM SUBJECT: 2012-13 FISCAL AUDIT

AGENDA ITEM TYPE: APPROVAL

RECOMMENDATION: SFWIB staff recommends to the Audit Committee to recommend to the Board the approval of the Fiscal Year 2012-13 agency-wide audit reports.

STRATEGIC GOAL: Strong, timely reporting standards for end user customers and provider of services.

STRATEGIC PROJECT: N/A

BACKGROUND:

On July 16, 2013, the South Florida Workforce Investment Board (SFWIB) approved the negotiation of a contract with TCBA Watson Rice, LLP for the performance of an external independent audit of the agency's financial records and reports for Program Year 2012-13.

The fiscal year 2012-2013 SFWIB audit was recently completed by Ron Thompkins, CPA, who is a partner at TCBA Watson Rice LLP.

The audit of the financial statements was performed pursuant to generally accepted auditing standards, government auditing standards, and the Rules of Florida's Auditor General. It included a review of internal controls as well as compliance with applicable laws and regulations.

The audit resulted in an unqualified opinion on the agency's financial statements (i.e., no significant deficiencies or material weaknesses in the internal control systems). Moreover, the OMB Circular A-133 audit was also deemed unqualified (i.e., no matters of non noncompliance).

Mr. Thompkins will present the audit results to the members of the committee

FUNDING: N/A

PERFORMANCE: N/A

NO ATTACHMENT



SFWIB AUDIT COMMITTEE

DATE: 12/19/2013

AGENDA ITEM NUMBER: 7

AGENDA ITEM SUBJECT: ACH PAYMENT CAPABILITIES AND REVISED SFWIB ACCOUNTING PROCEDURES

AGENDA ITEM TYPE: APPROVAL

RECOMMENDATION: SFWIB staff recommends to the Audit Committee to recommend to the Board the approval to authorize staff to enter an agreement with Wells Fargo Bank, NA for the implementation of ACH payments capabilities and to revise SFWIB accounting procedures accordingly.

STRATEGIC GOAL: Strong, timely reporting standards for end user customers and provider of services.

STRATEGIC PROJECT: N/A

BACKGROUND:

On July 16, 2013, the Audit Committee of the South Florida Workforce Investment Board (SFWIB) requested that staff investigate the feasibility and cost effectiveness of implementing Automated Clearing House (ACH) disbursement capabilities as a means of supplementing the current practice of making all Accounts Payable cash payments with paper checks.

Following the request, staff met with Wells Fargo Bank, N.A. representatives and reviewed various options for implementing the ACH payment services offered by the bank. Staff has determined that it is in the best interest of SFWIB to offer ACH payment services to vendors and service providers. The proposed cost for the ACH services are shown in the attached ACH service price schedule.

Staff also has revised the attached Accounting Procedures to reflect the appropriate internal controls for ensuring the security of ACH payment transactions.

FUNDING: N/A

PERFORMANCE: N/A

ATTACHMENT



Wells Fargo Price Schedule

ACH Origination

Pricing in USD as of August 2013

<u>AFP Code</u>	<u>Service Description</u>	<u>Charge Basis</u>	<u>Price</u>
	Monthly Maintenance		
250000	INTERNET ACH BASE FEE	Company ID	20.00000
	Setup		
251120	INTERNET ACH SET UP FEE	Setup	0.00000
	Transmissions		
250500	ACH PAYMENTS ONLINE BATCH RELEASE	Batch/file	5.00000
	Transactions		
250102	INTERNET ACH SAME DAY ITEM	Transaction	0.05000
250102	INTERNET ACH ONE DAY ITEM	Transaction	0.05000
250102	INTERNET ACH TWO DAY ITEM	Transaction	0.05000
250120	ACH ORIGINATED - ADDENDA REC	Item	0.00000



AUTHORIZATION AGREEMENT FOR DIRECT DEPOSITS (ACH CREDITS)

Company Name _____ Company FEID # _____

I (we) hereby authorize _____, hereinafter called COMPANY, to Initiate credit and, if necessary, debit entries and adjustments for any credit entries in error to my (our): (select one) Checking Account or Savings Account indicated below, at the depository Financial Institution named below, and to credit or debit the same from such account. I (we) acknowledge that the authority will remain in effect until I have (or either of us) cancelled it in writing and that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

<u>Financial Information</u> (to be completed by Financial Institution)	
Financial Institution _____	Branch _____
City _____	State _____ Zip _____
Routing Number _____	Account Number _____

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time, and in such manner as to afford COMPANY and Financial Institution a reasonable opportunity to act on it.

Name (s) _____ Title _____
(Please Print)

Date _____ Signature _____

Name and Email Address of individual who should receive notification of ACH Deposit:

Internal Controls for Automated Clearinghouse (ACH)

Accounts Payable cash disbursements are made by check or ACH transfers and disbursed from SFWIB's Operating Account. Vendors, Training Agents, or Service Partners who wish to be paid through the ACH transfer mechanism must complete a form (attached) indicating the account number and routing information of the financial institution to which they want the funds transferred to. Following receipt of this form, the Assistant Controller, who has input rights but no edit capabilities, will input the appropriated information into the MIP accounting system, print out a transaction report and forward the report to the Assistant Director of Finance who will review and approve it. If an edit is required, it will be documented and performed by the Assistant Director of Finance who will then advise the Finance Administrator to confirm the entry for accuracy by counter signing the corrected transaction report. To segregate duties, the Assistant Director of Finance will have edit rights but no add or delete access rights.

To ensure that ACH deposit data in the MIP system is accurate, the Administrator of Finance will generate a quarterly MIP report of payee names and the financial institution account numbers of vendors with approved ACH deposit capabilities. Discrepancies, if any, will be researched and correctly promptly.

Checks and ACH deposits will continue to be made two times per week, on Mondays and Thursdays. Once a payee has been designated as an ACH payment account, the Account Clerk responsible for generating checks and uploading ACH deposits will print out an ACH disbursement report from the MIP system of all ACH designated payments and prepare a transmittal letter to the Miami-Dade County Mayor's Office. After the Assistant Director of Finance and Executive Director approve the ACH payment report, the transmittal letter and the ACH payment report will be forwarded to the Miami Dade County mayor's office for final approval. Following approval from the County, the Account Clerk will upload the appropriate payment information into the Wells Fargo ACH payment system.

There are dual control procedures in place to approve and release the payments from the Operating Account. Both the Assistant Director of Finance and the Executive Director or their designated back-up, must approve the ACH payments report before the funds are released. Once the approvals are obtained, the Account Clerk will verify the transfer and a copy of the ACH transaction will be attached to each reimbursement package.