



**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
AUDIT COMMITTEE MEETING COMMITTEE
Thursday, April 24, 2014
8:00 A.M.**

**Doubletree by Hilton Miami Airport Hotel
Convention Center, 2nd floor
711 NW 72nd Avenue
Miami, Florida 33126**

AGENDA

1. Call to Order and Introductions
2. Approval of Audit Committee Meeting Minutes
 - A. December 2013
3. Information – Operational Audit – State of Florida Auditor General
4. Information – CSSF Fiscal and Programmatic Monitoring Activity Reports
5. Information – DEO Monitoring Reports

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AUDIT COMMITTEE

AGENDA ITEM NUMBER: 2A

DATE: April 24, 2014 at 8:00AM

AGENDA ITEM SUBJECT: MEETING MINUTES

December 19, 2013 at 8:00am
 Camillus House
 1603 NW 7th Avenue, Building D
 Miami, Florida 33136

COMMITTEE MEMBERS IN ATTENDANCE	COMMITTEE MEMBERS NOT IN ATTENDANCE	OTHER ATTENDEES
1. Piedra, Obdulio, <i>Chairperson</i> 2. Gibson, Charles A., <i>Vice Chairperson</i> 3. Bridges, Jeff 4. Datorre, Roberto 5. Montoya, Rolando 6. Zewadski-Bricker, Edith	7. Adrover, Bernardo 8. Carpenter, Willie 9. Chi, Joe SFW STAFF Beasley, Rick Alonso, Gustavo Garcia, Christine	Perez, Pablo – <i>Advance Science Institute</i> Perez, Pablo J. – <i>Advance Science Institute</i> Rodriguez, Yeset – <i>Advance Science Institute</i> Thomkins, Robert – <i>TCBA 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 8:30am, asked those present to introduce themselves and noted that a quorum of members had not been achieved.

2. Approval of the Audit Committee’s October 17, 2013

Dr. Rolando Montoya moved the approval of October 17, 2013 meeting minutes. Motion seconded by Mr. Charles Gibson; **Motion Passed Unanimously**

[Mr. Datorre arrived]

3. Information –October 2013 Financial Report

Mr. Piedra introduced the item and SFWIB Finance Assistant Director, Gustavo Alonso further presented. He additionally reviewed with the Committee the allocation and process for training vouchers.

Mr. Datorre requested additional information regarding SFW's training program. Executive Director Rick Beasley provided details.

Mr. Piedra inquired about the reconciliation amount of \$13 million.

Mr. Montoya asked whether SFW uses a cash or accrual system. Staff responded a cash system process.

Mr. Gibson inquired about obligate dollars for ITAs.

Dr. Montoya recommended providing a separate report showing committed dollars for ITAs.

Mr. Gibson inquired about special projects currently pending.

Ms. Zewadski-Bricker inquired about other regions' processes for ITA vouchers.

Note that a vote was taken on an information item:

Dr. Montoya moved the approval of the Financial Statements. Motion seconded by Mr. Charles Gibson; **Motion Passed Unanimously**

4. Information - Cash Reconciliation for November 2013

Mr. Piedra introduced the item.

No further questions or discussions.

[Mr. Jeff Bridges arrived]

5. Information - Audit & Monitoring Activity Report

Mr. Piedra presented the item, then introduced Mr. Robert Thompkins of TCBA Watson Rice, LLP, who appeared before the Committee and presented.

Mr. Gibson inquired about the term, "self-grantee" and "non-compliance". Staff explained.

Mr. Bridges asked whether there are different "non-compliance" levels. Mr. Beasley further explained.

A recommendation had been made to set deadlines for providers to submit individual audit reports. This is to ensure there are no findings that would potentially impact SFW's audit.

Mr. Piedra asked whether there's a process in place for receiving audit reports.

Mr. Gibson advised the Committee that SFW's fiscal year might be different from its contractors. Mr. Bridges recommended requesting most recent audit reports, preferably those recently completed within the last 120 days.

Mr. Piedra congratulated Mr. Beasley and staff for another year of clean audit.

Note that a vote was taken on an information item:

Mr. Gibson moved the approval of the Audit Monitoring Activity Report. Motion seconded by Mr. Jeff Bridges; **Motion Unanimously**

6. Recommendation as to Approval of the PY2012-13 Fiscal Audit

Mr. Piedra presented the item.

Mr. Gibson recommended the approval of the PY2012-13 Fiscal Audit. Motion seconded by Mr. Bridges; **Motion Passed Unanimously**

7. Recommendation as to Approval to Implement ACH Capabilities and Revise Accounting Procedures

Mr. Piedra introduced the item and Mr. Alonso further presented.

Mr. Piedra recommended creating a policy for this item so that all contractors are aware that this is SFW's new way of doing business.

Both Mr. Piedra and Mr. Datorre agreed that service and training contractors will be required to have an ACH system too.

Dr. Montoya moved the approval to Implement an ACH capabilities, revise accounting procedures and as amended with the above recommendation. Motion seconded by Mr. Charles Gibson; **Motion Passed as Amended with Unanimous Consent**

There being no further business to come before the Committee, the meeting adjourned at 9:37am



SFWIB AUDIT COMMITTEE

DATE: 10/24/2014

AGENDA ITEM NUMBER: 3

AGENDA ITEM SUBJECT: OPERATIONAL AUDIT -- STATE OF FLORIDA AUDITOR GENERAL

AGENDA ITEM TYPE: INFORMATION

RECOMMENDATION: N/A

STRATEGIC GOAL: Premier National Provider of Employment and Career Training

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

BACKGROUND:

In March 2014 the Auditor General (AG) of the State of Florida released a report on the results of an operation audit performed on SFWIB for the fiscal year 2012-13. These services were performed in response to a request by Senator Anitere Florez and with the stated objective of ensuring that SFWIB was in full compliance with all the applicable provisions of Section 445 of the Florida Statutes.

The AG Operational Audit identified four findings. Additionally, the report did indicate the SFWIB was in full compliance with all applicable provisions of section 445 of the Florida Statutes.

There were three (4) findings:

- Finding No. 1: The SFWIB needed to enhance its procedures to ensure the timely execution of contractual agreements with its training vendors.
- Finding No. 2: The insurance coverage maintained by private contractors and training vendors did not always comply with the requirements of the contract agreements.
- Finding No. 3: The SFWIB overstated program expenditures reported to the Florida Department of Economic Opportunity.
- Finding No. 4: The SFWIB procedures did not always ensure that minutes for meetings were available for public inspection and approved timely.

Please find attached the SFWIB responses to the findings.

FUNDING: NA

PERFORMANCE: NA

ATTACHMENT

**SOUTH FLORIDA
WORKFORCE INVESTMENT BOARD**

Operational Audit



BOARD MEMBERS AND EXECUTIVE DIRECTOR

Members of the South Florida Workforce Investment Board and the Executive Director who served from July 2011 through June 2013 are listed below:

Mr. Alvin West, Chairman	Mr. Albert Huston, Jr.
Mr. Obdulio Piedra, Vice-Chairman	Mr. Ramiro Inguanzo to October 2012
Mr. Bernardo Adrover	Dr. Donna Jennings to May 2013
Mr. Carlos J. Arboleda	Hon. Barbara J. Jordan
Mr. Bruce Brecheisen	Mr. Donald Lanman from August 2012
Mr. Jeff Bridges	Mr. Philipp N. Ludwig
Mr. Clarence Brown	Ms. Anne Manning
Mr. Willie J. Brown to December 2012	Mr. Carlos A. Manrique
Mr. Willie Carpenter	Mr. Frederick H. Marinelli
Mr. Joe L. Chi	Dr. Rolando Montoya from May 2013
Mr. Lovey Clayton	Mr. Andre “Andy” M. Perez
Mr. Roberto Datorre	Ms. Maria C. Regueiro
Mr. Juan-Carlos del Valle from June 2013	Mr. Alvin W. Roberts to December 2011
Mr. Bill Diggs	Dr. Denis Rod from April 2013
Ms. Victoria DuBois (non-voting)	Mr. Pedro Rodriguez to January 2012
Ms. Gilda P. Ferradaz	Mr. Thomas R. Roth
Mr. Daniel Fils-Aime, Sr.	Ms. Monica Russo
Ms. Cynthia Gaber to February 2013	Mr. Kenneth E. Scott, Jr.
Ms. Maria Garza from May 2013	Ms. Ivonne Socorro
Mr. Luis A. Gazitua	Mr. Thomas “Gregg” Talbert
Mr. Charles A. Gibson	Ms. Wanda Walker
Ms. Jackie Harder to August 2011	Ms. Holly Wiedman to November 2012
	Ms. Edith Zewadski-Bricker

Mr. Rick Beasley, Executive Director

The audit team leader was Agustin Silva, CPA, and the audit was supervised by Ramon A. Gonzalez, CPA. Please address inquiries regarding this report to Marilyn D. Rosetti, CPA, Audit Manager, by e-mail at marilynrosetti@aud.state.fl.us or by telephone at (850) 412-2881.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 412-2722; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

SOUTH FLORIDA WORKFORCE INVESTMENT BOARD

EXECUTIVE SUMMARY

Our operational audit of the South Florida Workforce Investment Board (SFWIB) disclosed the following:

CONTRACTUAL SERVICES

Finding No. 1: The SFWIB needed to enhance its procedures to ensure the timely execution of contractual agreements with its training vendors.

Finding No. 2: The insurance coverage maintained by private contractors and training vendors did not always comply with the requirements of the contract agreements.

PROGRAM COMPLIANCE

Finding No. 3: The SFWIB overstated program expenditures reported to the Florida Department of Economic Opportunity.

ADMINISTRATIVE MANAGEMENT

Finding No. 4: The SFWIB procedures did not always ensure that minutes for meetings were available for public inspection and approved timely.

BACKGROUND

Section 445.007(1), Florida Statutes, states that "One regional workforce board shall be appointed in each designated service delivery area and shall serve as the local workforce investment board pursuant to Pub. L. No. 105-220, Workforce Investment Act of 1998." The South Florida Workforce Investment Board (SFWIB) was chartered by the State and is 1 of 24 regional workforce boards in Florida. Workforce Florida, Inc., and the Florida Department of Economic Opportunity oversee all regional workforce boards in Florida. The SFWIB has local control and the accountability for overseeing Federal and State-funded workforce development programs in Miami-Dade and Monroe counties.

Prior to 2006, the SFWIB was known as the South Florida Employment and Training Consortium (Consortium) d/b/a the South Florida Workforce. The Consortium was made up of five member governments, Miami-Dade and Monroe counties and the Cities of Hialeah, Miami, and Miami Beach. The Consortium governments appointed the members of the Consortium's Board of Directors, who were responsible for approving the annual plan, operating budget and selected One-Stop Career Center Operators, while the administrative staff of the Consortium handled the administrative and program functions.

In March 2006, the Miami-Dade Board of County Commissioners adopted Resolution R-315-06, which approved an interlocal agreement between the two chief elected officials of Miami-Dade and Monroe Counties. This interlocal agreement created the SFWIB and its current administrative structure. Key elements of the interlocal agreement include, but are not limited to: the roles and responsibility of the SFWIB and its Executive Director, and provisions for the election of a Chairperson and members of the SFWIB's governing board, as required by the Workforce Investment Act of 1998.

Functionally, the SFWIB connects human resource managers to qualified workers through a network of One-Stop Career Centers and Youth Opportunity Centers. Centers provide services at no cost to employers and job seekers. Employer services include employee recruiting and screening and career advancement programs for existing staff. Centers also provide job search assistance for all career levels, information on training opportunities, and employment

assistance for economically disadvantaged adults, youth, dislocated workers, individuals transitioning from welfare to work, and refugees.

The SFWIB receives Federal funding passed through the Florida Department of Economic Opportunity for the Title I Adult and Dislocated Worker programs. Funds are allocated annually and the SFWIB has two years to expend the funds. Combined expenditures reported on the SFWIB’s Schedule of Expenditures of Federal Awards for the Title I Adult and Dislocated Worker programs for the 2011-12 and 2012-13 fiscal years totaled \$16.5 million and \$19.1 million, respectively.

FINDINGS AND RECOMMENDATIONS

Contractual Services

Finding No. 1: Contractual Agreements

The SFWIB’s procurement policies, *Procurement of Service Partners*, provide that specific contract terms, conditions, and method of payment are a component of the contract negotiation process. In addition, a permanent contract file is to be maintained for each contract containing documentation of all actions relating to the administration of the contract, including at a minimum, the following documentation: 1) original signed and executed copy of the contractual agreement, to include statement of work or scope of services and all attachments, and 2) original signed and executed copy of all approved contract modifications, if applicable. The SFWIB’s Executive Director is the only individual authorized to sign and execute contractual agreements and modifications.

The SFWIB enters into contracts with public and private contractors and training vendors to provide training for economically disadvantaged adults, youth, dislocated workers, individuals transitioning from welfare to work, and refugees. The contractor manages the career centers and is solely responsible for determining eligibility for services and oversees the activities of approved partners in the career center and coordinates all specialized programs designed to deliver services in the most efficient and cost-effective manner. Eligible individuals receive training services for an approved training program at an approved training vendor location of their choice.

SFWIB records indicated that combined contractor and training vendor expenditures for the Title I Adults and Dislocated Workers programs for the 2011-12 and 2012-13 fiscal years totaled \$14,389,122 and \$15,559,567, respectively. We tested the contract payments for two contractors and seven training vendors with total expenditures of \$10,545,227 during the above two fiscal years. Our review disclosed that \$4,780,190, or 45 percent of the expenditures tested, were paid without the benefit of a contract, as follows:

- Two public training vendors were paid a total of \$856,495 during the 2011-12 fiscal year without contractual agreements. During the 2012-13 fiscal year, payments totaling \$733,774 to these two vendors were made 299 and 359 days before the contractual agreements were signed.
- A private training vendor was paid \$528,623 during the 2011-12 fiscal year, 312 days before a contractual agreement was signed. During the 2012-13 fiscal year, a contractual agreement was not signed with this vendor; however, payments to this vendor totaled \$1,032,585 (Note: This is the same vendor with insurance deficiencies noted in bullet No. 1 of finding No. 2). Four other private training vendors were paid \$301,188 during the 2011-12 fiscal year, between 73 and 364 days before the contractual agreements were signed, and \$1,327,525 during the 2012-13 fiscal year, between 242 and 358 days before the contractual agreements were signed.

SFWIB personnel indicated that the untimely execution of contracts may have been caused by delays in the vendors obtaining proper insurance coverage (see further discussion in finding No. 2). Untimely execution of contractual agreements increases the risk that services provided, and method of payment may not be consistent with the SFWIB's intent and may limit the SFWIB's ability to take recourse against training vendors who do not provide satisfactory services.

Recommendation: To ensure that contractual responsibilities are communicated and agreed to of record, the SFWIB should ensure that contractual agreements are executed before paying training vendors for services provided.

Finding No. 2: Monitoring of Insurance for Contractors and Training Vendors

The contractual agreements between the SFWIB and its contractors and training vendors require that these agencies meet certain minimum insurance requirements prior to the execution of a contract. The contracts stipulate that certificates of insurance or written verification (binders), or letters confirming insurance coverage in the case of entities that are self-insured, should be approved by the SFWIB, and that funds will not be disbursed until the necessary insurance requirements are met. For entities that are not self-insured, modifications and changes to the insurance policy must be submitted in writing to the SFWIB by the insurance company no later than ten (10) days prior to the effective date of the changes.

We selected two contractors and eight training vendors for the period July 2011 through June 2013 to determine compliance with contract insurance requirements. Our review of the insurance certificates disclosed the following instances in which the insurance coverage maintained by private contractors and training vendors did not comply with the requirements of the contractual agreements:

- A training vendor did not carry professional liability insurance during the period July 2011 through June 2013, although the vendor provided services during this period. Also, workers' compensation insurance was not in effect for 290 days and commercial general liability insurance was not in effect for 62 days. In addition, although the insurance certificates included written cancellation notices, the certificates did not indicate that the SFWIB would be notified within 10 days prior to the effective date of the change.
- A training vendor did not carry professional liability insurance from January 16, 2012, through June 20, 2013, although the training vendor provided services during this period. Also, workers' compensation insurance was not in effect for 86 days and commercial general liability insurance was not in effect for 149 days. In addition, although the insurance certificates included written cancellation notices, the certificates did not indicate that the SFWIB would be notified within 10 days prior to the effective date of the change.
- A training vendor did not carry professional liability insurance from July 1, 2011, through April 4, 2013, although the training vendor provided services during this period. Also, workers' compensation insurance was not in effect for 199 days and commercial general liability insurance was not in effect for 366 days.
- For two contractors and three training vendors, the insurance certificates provided for written cancellation notices; however, the certificates did not indicate that the SFWIB would be notified within 10 days prior to the effective date of the change.

Although the SFWIB's contract manager is responsible for maintaining records to evidence compliance with contractual insurance provisions, procedures were not in place to ensure that the SFWIB was actively monitoring insurance coverage. Without adequate procedures to monitor the contractors' and training vendors' insurance coverage, there is an increased risk that such coverage may not exist or is insufficient, subjecting the SFWIB to potential losses. In addition, any funds disbursed without having the necessary insurance requirements provided and approved may be contrary to contract terms.

Recommendation: The SFWIB should enhance its monitoring procedures to ensure that each contractor and vendor maintains the insurance coverage, including the cancellation notification provision, required by the contracts.

Program Compliance

Finding No. 3: Overstatement of Reported ITA Expenditures

Section 445.003, Florida Statutes, requires that at least 50 percent of Title I funds for the Adults and Dislocated Workers programs passed through to regional workforce boards be allocated and expended on Individual Training Accounts (ITAs) unless a regional workforce board obtains a waiver from Workforce Florida, Inc. Tuition, books, and fees of training providers and other training services prescribed and authorized by the Workforce Investment Act of 1998 qualify as ITA expenditures. On June 29, 2012, the Florida Department of Economic Opportunity (DEO) provided the regional workforce boards with final guidance (DEO FG-074) regarding the costs allowable for the 50 percent expenditure requirement. In accordance with DEO FG-074, the SFWIB reported expenditures to the DEO in the One-Stop Management Information System (OSMIS) on a monthly basis. Expenditure information reported in OSMIS was used by DEO to determine compliance with the 50 percent ITA requirement. For purposes of determining compliance, the DEO provides that the program expenditures for adults and dislocated workers can be combined. Compliance was monitored on a quarterly basis with an annual determination made at the end of the fiscal year.

Our review and tests of the SFWIB’s accounting records supporting the ITA expenditure amounts for the Title I Adult and Dislocated Worker programs during the 2011-12 and 2012-13 fiscal years, disclosed that the amounts reported for the 2012-13 fiscal year included incorrect accruals totaling \$1,454,714, and \$859,851, respectively. Consequently, the ITA expenditure amounts reported to DEO for the 2012-13 fiscal year for these programs were overstated by these amounts. Subsequent to our inquiry, on December 12, 2013, the SFWIB reversed these accruals and reported revised expenditures in OSMIS to the DEO. As a result of these reversals, the SFWIB’s compliance with the 50 percent ITA requirement was reduced from 55.1 percent to 50.2 percent.

Recommendation: The SFWIB should enhance procedures to ensure the accuracy of ITA expenditure amounts reported to DEO.

Administrative Management

Finding No. 4: Sunshine Law Compliance

Section 445.007(1), Florida Statutes, provides that the SFWIB is subject to Chapter 286, Florida Statutes. Section 286.011, Florida Statutes, commonly referred to as the Sunshine Law, requires that the minutes of a meeting of a board or commission of a state agency or authority shall be promptly recorded, and such records shall be open to public inspection. The Attorney General’s publication *Government-in-the-Sunshine Manual (Manual)*, 2012 Edition, states that advisory boards and fact finding committees whose powers are limited to making recommendations to a public agency and that possess no authority to bind that agency are subject to the Sunshine Law. The *Manual* also provides that when a committee possesses or exercises not only the authority to conduct fact finding but also to make recommendations, the committee is participating in the decision-making process and is subject to the Sunshine Law.

The SFWIB holds regular meetings throughout the year to discuss and approve necessary actions related to its responsibility for overseeing State and Federally-funded workforce development programs in Miami-Dade and Monroe Counties. In addition, the SFWIB established various committees responsible for making policy recommendations to the SFWIB on various matters. The committees include the Economic Development and Industry Sector Committee and the Audit Committee, which also hold regular meetings throughout the year. The Economic Development and Industry Sector Committee develops policy recommendations related to the improvements to the responsiveness of training with respect to business and economic development opportunities; integration of Federal and State workforce funding to improve training and job placements within the business community; and identification of occupations that are critical to business retention, expansion, and recruitment activities. The Audit Committee develops policy recommendations with respect to the financial and budgetary oversight and monitoring.

The SFWIB maintains its meeting minutes on its Web site, which facilitates public access to decisions made by the SFWIB and recommendations made by the Economic Development and Industry Sector and Audit Committees. Our review of public meetings held during the period July 2011 through June 2013 disclosed as of December 4, 2013, the following instances in which meeting minutes had not been posted to the permanent location on the SFWIB's Web site:

- The SFWIB held and prepared minutes for 22 public meetings, of which the minutes for 4 meetings had not been posted.
- The Economic Development and Industry Sector Committee held and prepared minutes for 14 public meetings, of which the minutes for 1 meeting had not been posted.
- The Audit Committee held and prepared minutes for 8 public meetings, of which the minutes for 2 meetings had not been posted.

Upon audit inquiry, SFWIB personnel provided the above minutes for our review. SFWIB personnel indicated that the meetings noted above were not regularly scheduled, and that the minutes were not posted to the Web site because there was no follow-up meeting scheduled to approve them. As a good business practice, to ensure that minutes accurately reflect all action and proceedings of the Board or advisory committees, the minutes of each meeting should be reviewed, corrected if necessary, and approved timely at a subsequent meeting.

When minutes are not timely approved and posted to the permanent location on the SFWIB's Web site, public access to official actions taken at such meetings may be limited.

Recommendation: The SFWIB should enhance its procedures to ensure that minutes of the SFWIB and committee meetings are timely approved and promptly posted to its Web site.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations. Pursuant to Section 11.45(3)(a), Florida Statutes, the Legislative Auditing Committee, at its February 18, 2013, meeting, directed us to conduct this audit.

We conducted this operational audit from September 2013 to December 2013 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of this operational audit were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse and in administering assigned responsibilities in accordance with applicable laws, rules, regulations, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those controls.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in management's internal controls, instances of noncompliance with applicable laws, rules, regulations, contracts, grant agreements and other guidelines, and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

For those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in considering significance and audit risk in the design and execution of research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

The scope and methodology of this performance audit are described in Exhibit A. Our audit included selection and examinations of various records and transactions from July 2011 through June 2013. Unless otherwise indicated in this report, these records and transactions were not selected with the intent of projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



David W. Martin, CPA
Auditor General

MANAGEMENT'S RESPONSE

Management's response is included as Exhibit B.

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EXHIBIT A
AUDIT SCOPE AND METHODOLOGY

Scope (Topic)	Methodology
Organizational Issues and Minutes	Reviewed organizational structure of the SFWIB and assessed the functional responsibilities within the organizational structure to determine whether they were adequately separated to provide for effective internal controls. Examined and reviewed documentation such as the organizational chart, SFWIB by-laws, and SFWIB minutes with an emphasis on actions taken for the Title I Adult and Dislocated Worker programs. Determined whether SFWIB and relevant committee meetings were held in compliance with Chapter 286, Florida Statutes, and that the minutes of such meetings were available for public inspection.
Fraud and Ethics Controls	Verified that the SFWIB had developed fraud policies and procedures to provide guidance to employees for communicating known or suspected fraud to appropriate individuals. Performed searches on the Florida Department of State, Division of Corporations' online records to identify potential conflicts of interest. Obtained statements of financial interest for applicable SFWIB personnel from the appropriate County Supervisor of Elections to ensure compliance with Section 112.3145(2)(b), Florida Statutes. For Title I Adult and Dislocated Worker program service providers, determined whether contracts with members of the SFWIB complied with the conflicts of interest, transparency, and accountability provisions of Sections 445.007(1) and (11), Florida Statutes.
Written Policies and Procedures	Determined whether the SFWIB had written policies and procedures in place for major functions, including those that are significant to the operation of the Title I Adult and Dislocated Worker programs.
Strategic Plan and Performance Measures	Reviewed the SFWIB's strategic plan for short and long-term operations. Determined whether performance measures had been adopted. Reviewed selected records to ensure that performance measures were implemented and that appropriate action was taken by the SFWIB in instances where Title I Adult and Dislocated Worker program contractors and vendors failed to meet the established performance measures.
Amounts Reported to the DEO	Determined whether Title I Adult and Dislocated Worker programs funds from the 2011-12 and 2012-13 fiscal years were properly reported, supported by the accounting records, and adequately carried forward, if applicable.

EXHIBIT A (CONTINUED)
AUDIT SCOPE AND METHODOLOGY

Scope (Topic)	Methodology
Expenditure of Restricted Resources	Reviewed the SFWIB’s policies and procedures, Florida Department of Economic Opportunity (DEO) guidance (DEO FG-074), and Section 445.003(3)(a)1., Florida Statutes. Tested Title I Adult and Dislocated Worker programs funds expended during the 2011-12 and 2012-13 fiscal years to determine whether the amounts expended on Individual Training Accounts (ITA) for these programs were in accordance with applicable policies and procedures, DEO guidance, and Section 445.003(3)(a)1., Florida Statutes.
Contractual Agreements	Reviewed contractual agreements between the SFWIB and contractors and training vendors that provided services to eligible participants under the Title I Adult and Dislocated Worker programs to determine, on a test basis, whether payments were made in accordance with contract provisions, and to determine compliance with insurance coverage requirements.

**EXHIBIT B
MANAGEMENT'S RESPONSE**



careersourcesfl.com

March 4, 2014

Mr. David W. Martin
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

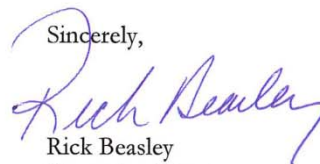
Thank you for your February 5, 2014 preliminary report on the audit findings and recommendations identified during the audit of the South Florida Workforce Investment Board (SFWIB). As we pointed out at the start of the audit, the SFWIB welcomed the audit, especially in view of the numerous changes and complexities embodied in the amendments to Section 445 of the Florida Statutes that became effective July 1, 2012.

We are indeed very pleased that the audit report confirmed that the SFWIB is in full compliance with all the applicable provisions of Section 445 of the Florida Statutes.

As requested, we have prepared the attached written statement of explanation concerning all of the findings noted in the report. We have included corrective actions that address all issues and recommendations.

We appreciate the time you devoted to this audit, and we thank you and your staff for the effort and professionalism demonstrated during the audit.

Please feel free to contact me at (305) 594-7615, extension 369, should you have any questions.

Sincerely,


Rick Beasley
Executive Director
South Florida Workforce Investment Board

Attachment

Pc: SFWIB Board Members

info@careersourcesfl.com
7300 Corporate Center Drive, Suite 500
Miami, Florida 33126
p: 305-594-7615 | f: 305-470-5629



EXHIBIT B (CONTINUED)
MANAGEMENT'S RESPONSE

SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
MANAGEMENT RESPONSES TO PRELIMINARY AND TENTATIVE AUDIT FINDINGS AND
RECOMMENDATIONS TO THE OPERATIONAL AUDIT OF THE SOUTH FLORIDA WORKFORCE
INVESTMENT BOARD FOR PROGRAM YEARS FROM JULY 1, 2011 THROUGH JUNE 30, 2013

Finding No. 1- Contractual Agreements

The SFWIB needed to enhance its procedures to ensure for the timely execution of contractual agreements with its training vendors.

Management Response: Management is in agreement with the recommendation of enhance procedures to ensure contracts are executed in a timely manner. At the beginning of program year 2013-2014 (July 1, 2014), the SFWIB had already implemented a fiscal procedure to not pay Training Vendors until a contract has been executed.

Finding No. 2 –Monitoring of Insurance for Contracts and Training Vendors

The insurance coverage maintained by private contractors and training vendors did not always comply with the requirements of the contract agreements.

Management Response: Management agrees with the Auditor General recommendation to establish procedures to ensure that contractors maintain insurance coverage during the term of the contract. The SFWIB has developed and implemented procedures to ensure proper insurance coverage. A copy of the new and enhanced procedures is attached.

Finding No. 3- Overstatement of Reported ITA Expenditures

The SFWIB overstated program expenditures reported to the Florida Department of Economic Opportunity.

Management Response: Although SFWIB management agrees that the reported ITA expenditures were originally reported incorrectly, it must be pointed out that the overstatement was a result of an expenditure accrual that was recommended by the Audit Committee of the SFWIB and initially agreed to by the SFWIB fiscal auditors. The expenditure accrual was booked in order to account for expenditure obligations for training services that had been procured and started prior to the end of the fiscal year 2012-13 on June 30, 2013.

Upon their arrival, SFWIB provided the external auditors with all the supporting documentation and analysis used to calculate the expenditure accrual. Following an Initial review, the auditors stated they were in agreement with the accrual and thus SFWIB reported ITA expenditures to the State as such.

EXHIBIT B (CONTINUED)
MANAGEMENT'S RESPONSE

Later and upon further in depth analysis of the entry, the external auditors determined that the accrual should only have included a portion of the obligations. The auditors reasoned that since SFWIB's policy states that the second and final payment for training services only becomes due and payable after the training participant has completed 14 training sessions. Accordingly, only those expenditure obligations for participant completing 14 or more sessions should have been accrued.

Due to time constraints for issuing the final audit report, SFWIB found it in its best interest to reverse the entire accrual entry and inform the Department of Economic Opportunity of the State of Florida of the decision and re-report expenditures based on the reversal.

Finding No. 4- Sunshine Law Compliance

The SFWIB procedures did not always ensure that minutes for meetings were available for public inspection and approved timely.

Management Response: Management agrees with the recommendation. As explained in the body of the report, SFWIB current procedure is to post meeting minutes after formal approval at follow-up meetings. The minutes that had not been posted at the time of the audit were mostly for meetings for which no follow-up meeting had been held, however, the minutes were available upon request. As recommended by the Auditor General, SFWIB has enhanced its procedures to require that meeting minutes be posted within 45 days following the meeting, regardless of whether or not the minutes have been approved. In those situations where un-approved meeting minutes are posted, they will be clearly marked as "Draft Pending Approval".

EXHIBIT B (CONTINUED)
MANAGEMENT'S RESPONSE



CONTRACTORS AND TRAINING VENDORS INSURANCE PROCEDURES

- Identify all Contractors and Training Vendors
- Prepare insurance file folder
- Input insurance information into the Insurance Liability Database:
 - a. Name of Contractor and Training Vendor
 - b. General Liability Policy numbers, effective date and expiration date
 - c. Professional Liability Policy numbers, effective date and expiration date
 - d. Fidelity Bond Policy numbers, effective date and expiration date
 - e. Workers Compensation Policy numbers, effective dates and expiration date
- System will track on a daily basis all insurance coverage dates
 - a. All dates will have two (2) month prior alerts of expiration dates
 - b. Notification e-mails will be generated automatically by the system to each Contractor and Training Vendor. [Exhibit A]
 - c. System will generate alert notification e-mail to Administration Division
 - d. System will generate alert notification e-mail to Finance division (Assistant Director and Assistant Controller) immediately if any Contractor or Training Vendor insurance has already expired or cancelled. [Exhibit B]
- Receipt of renewed Certificate of Liability Insurance (ACORD)
 - a. Input insurance information (i.e. Policy Numbers, etc.)
 - b. Make comments/notes in database and also insurance file folder
- Non receipt of renewed Certificate of Liability Insurance (ACORD)
 - e. System will e-mail the Finance division (Assistant Director of Finance and Assistant Controller) immediately if any Contractor or Training Vendor insurance has already expired or cancelled.
 - a. No payment will be disbursed to Contractor or Training Vendor by Finance division.

[Note: Automated Process was implemented on 02.26.2014]

EXHIBIT B (CONTINUED)
MANAGEMENT’S RESPONSE



EXHIBIT A

E-Mail Notification (Contractors and Training Vendors)

Dear: _____

This is notification regarding your **Certificate of Liability Insurance**. Please review your coverage(s) listed below and submit your renewed Certificate.

Please note: The Contract/Agreement stipulates that “in the event that your insurance policy is cancelled or expired during the effective period of this Contract/Agreement, all payments will be withheld from the Contractor/Vendor until a new Certificate of Insurance is submitted and approved. If the Contractor/Vendor fails to secure the required insurance as a result of cancellation or expiration within **ten (10)** calendar days **after** the effective date of expiration or cancellation, South Florida Workforce Investment Board may forthwith terminate this Contract/Agreement. The new insurance policy shall cover the time period commencing from the date of cancellation or expiration of the prior insurance policy.”

Please submit your renewed Certificate of Liability Insurance via e-mail to dianne.mills@careersourcesfl.com and mail your original Certificate of Liability Insurance to:

South Florida Workforce Investment Board d/b/a CareerSource South Florida
7300 Corporate Center Drive, Suite 500
Miami, Florida 33126
ATTN: Dianne Mills, AOII

<u>Coverage Type</u>	<u>Expiration Date</u>
General Liability	04/02/14
Professional Liability	04/02/14
Workers Comp	04/02/14
Fidelity Bond	04/02/14

EXHIBIT B (CONTINUED)
MANAGEMENT'S RESPONSE



EXHIBIT B

E-Mail Notification (Finance Division)

This is notification regarding the Contractor/Training Vendor Certificate of Liability Insurance. Please be aware that an e-mail has already been sent to the Service Partner/Training Vendor to submit their renewed Certificate prior to the expiration date.

Please note: The Contract/Agreement stipulates that “in the event that your insurance policy is cancelled or expired during the effective period of this Contract/Agreement, all payments will be withheld from the Contract/Vendor until a new Certificate of Insurance is submitted and approved. If the Contractor/Vendor fails to secure the required insurance as a result of cancellation or expiration within **ten (10)** calendar days **after** the effective date of expiration or cancellation, South Florida Workforce Investment Board may forthwith terminate this Contract/Agreement. The new insurance policy shall cover the time period commencing from the date of expiration or cancellation of the prior insurance policy.”

<u>Coverage Type</u>	<u>Expiration</u>
General Liability	04/02/14
Professional Liability	04/02/14
Workers Comp	04/02/14
Fidelity Bond	04/02/14



SFWIB AUDIT COMMITTEE

DATE: 4/24/2014

AGENDA ITEM NUMBER: 4

AGENDA ITEM SUBJECT: FINANCIAL COMPLIANCE MONITORING REPORTS

AGENDA ITEM TYPE: INFORMATION

RECOMMENDATION: N/A

STRATEGIC GOAL: Premier National Provider of Employment and Career Training

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

BACKGROUND:

On January 8, 2014 the Department of Economic Opportunity (DEO) of the State of Florida released a report on the results of the financial monitoring services performed on SFWIB for the first quarter of fiscal year 2013-14. On February 28, 2014 DEO released another report on the results of the financial monitoring services performed for the second quarter of fiscal year 2013-14.

The monitoring procedures that DEO performed included tests of transaction details, file inspection and inquiries to determine if appropriate internal control procedures were in place.

Either DEO Quarterly reports indicated no findings.

FUNDING: N/A

PERFORMANCE: N/A

ATTACHMENT

2013-14 Financial Compliance Monitoring Report
CareerSource South Florida
Regional Workforce Board No. 23

Bureau of Financial Monitoring and Accountability
Florida Department of Economic Opportunity

February 28, 2014

107 East Madison Street
Caldwell Building
Tallahassee, Florida 32399
www.floridajobs.org



2013-14 Financial Compliance Monitoring Report
CareerSource South Florida
Regional Workforce Board No. 23
Period Reviewed: July 1, 2013 – November 30, 2013

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I. MONITORING RESULTS

The Bureau of Financial Monitoring and Accountability (FMA) performed financial monitoring procedures based on the DEO 2013-14 RWB 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 2013-14 RWB Financial Monitoring Tool for the 1st Quarter Desk Review and 2nd Quarter Desk Review:

2013-14 Monitoring Results			
Category	Current Year Findings	Current Year Other Non-Compliance Issues	Current Year Observations
1.0 – Preventive / Corrective Action Plan Implementation	-	-	-
2.0 – Financial Management Systems	-	-	-
3.0 – Internal Control Environment	-	-	-
4.0 – Cash Management and Revenue Recognition	-	-	-
5.0 – OSMIS Reporting and Reconciliation	-	-	-
6.0 – Prepaid Program Items	-	-	-
7.0 – Cost Allocation and Disbursement Testing	-	-	-
8.0 – Payroll and Personnel Activity Report (PAR) Testing	-	-	-
9.0 – ETA Salary and Bonus Cap	-	-	-
10.0 – Individual Training Accounts (ITAs)	-	-	-
11.0 – Purchasing	-	-	-
12.0 – Contracting	-	-	-
13.0 – Subrecipient Monitoring	-	-	-
14.0 – Property Management	-	-	-
TOTAL	-	-	-

II. FINDINGS

1st Quarter Review

There were no 1st quarter findings.

2nd Quarter Review

There were no current quarter findings.

III. OTHER NON-COMPLIANCE ISSUES

1st Quarter Review

There were no 1st quarter other non-compliance issues.

2nd Quarter Review

There were no current quarter other non-compliance issues.

IV. OBSERVATIONS

1st Quarter Review

There were no 1st quarter observations.

2nd Quarter Review

There were no current quarter observations.



SFWIB AUDIT COMMITTEE

DATE: 10/24/2014

AGENDA ITEM NUMBER: 5

AGENDA ITEM SUBJECT: ACTIVITY REPORT -- FISCAL MONITORING

AGENDA ITEM TYPE: INFORMATION

RECOMMENDATION: N/A

STRATEGIC GOAL: Premier National Provider of Employment and Career Training

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

BACKGROUND:

At the December 2013 Audit Committee meeting, the committee members passed a resolution requesting SFWIB staff to present monitoring activity reports at subsequent Audit Committee meetings.

In response to said request, SFWIB staff have prepared the attached activity reports. The first report is a summary of the findings resulting from CSSF Fiscal Monitoring activities, while the second report summarizes the status of the Quality Assurance Program monitorings reports to date.

FUNDING: N/A

PERFORMANCE: N/A

ATTACHMENT

Workforce Investment Act (WIA) PY13-14 Quality Assurance Review Results

Provider	Center	Error Rate	Repeat Findings	Disallowances	POCA Received	POCA Accepted
Arbor E&T, LLC	Carol City	6.40%	10 of 16	No	Yes	Yes
Arbor E&T, LLC	Hialeah Gardens	2.62%	3 of 11	No	Yes	Yes
City of Hialeah	Hialeah Downtown	3.59%	8 of 14	No	Yes	Yes
City of Miami	City of Miami	21.88%	25 <i>(1st Yr. Reviewed)</i>	No	Yes	Yes
SER Jobs for Progress, Inc.	North Miami Beach	2.63%	6 of 11	No	Yes	Yes
UNIDAD of Miami Beach, Inc.	Miami Beach	4.81%	11 of 19	No	Yes	Yes
Youth Co-Op, Inc.	Florida Keys	2.44%	6 of 9	No	Yes	Yes
Youth Co-Op, Inc.	Homestead	1.21%	2 of 6	No	Yes	Yes
Youth Co-Op, Inc.	Little Havana	3.91%	4 of 13	No	Yes	Yes
Youth Co-Op, Inc.	Northside	1.71%	2 of 6	No	Yes	Yes
Youth Co-Op, Inc.	Perrine	1.52%	1 of 6	No	Yes	Yes
Youth Co-Op, Inc.	West Dade	1.20%	2 of 8	No	Yes	Yes
Transition, Inc.	Offender Service Center	2.85%	5 of 8	Yes: \$504.00 OJT	Yes	Yes

**Supplemental Nutrition Assistance Program (SNAP)
PY13-14 Quality Assurance Review Results**

Provider	Center	Error Rate	Repeat Findings	Disallowances	POCA Received	POCA Accepted
Arbor E&T, LLC	Carol City	1.92%	1 of 3	Potential: \$64,066.92	Yes	Yes
City of Hialeah	Hialeah Downtown	2.17%	1 of 5	Potential: \$21,805.28	Yes	Yes
City of Miami	City of Miami	4.92%	11 <i>(1st Yr. Reviewed)</i>	Potential: \$32,243.21	Yes	Yes
SER Jobs for Progress, Inc.	North Miami Beach	15.32%	6 of 18*	Potential: \$19,741.75	Yes	Yes
UNIDAD of Miami Beach, Inc.	Miami Beach	3.01%	2 of 10	Potential: \$3,770.42	Yes	Yes
Youth Co-Op, Inc.	Florida Keys	4.61%	2 of 10	Potential: \$38,717.34	Yes	Yes
Youth Co-Op, Inc.	Homestead	0.00%	N/A	Potential: \$32,698.90	Yes	Yes
Youth Co-Op, Inc.	Little Havana	0.92%	1 of 6	Potential: \$43,739.35	Yes	Yes
Youth Co-Op, Inc.	Northside	3.07%	2 of 9	Potential: \$146,462.95	Yes	Yes
Youth Co-Op, Inc.	Perrine	1.32%	4 <i>(No Repeat)</i>	Yes: \$12.50 Potential: \$46,979.99	Yes	Yes
Youth Co-Op, Inc.	West Dade	3.16%	2 of 6	Potential: \$27,460.19	No	Yes

* = Altered documentation was found in sampled case files

Career Advancement Program (CAP) PY13-14 Quality Assurance Review Results						
Provider	Center	Error Rate	Repeat Findings	Disallowances	POCA Received	POCA Accepted
Arbor E&T, LLC	Carol City/Opa Locka	10.67%	10 of 17	No	Not yet due	N/A
City of Hialeah	Hialeah Downtown	10.24%	7 of 13	No	Not yet due	N/A
City of Miami	City of Miami	26.89%	22 (1st Yr. Reviewed)	No	Yes	No (Pending Revised POCA)
SER-Jobs for Progress, Inc.	North Miami Beach	10.34%	9 of 22*	No	Not yet due	N/A
UNIDAD of Miami Beach, Inc.	Miami Beach	16.19%	2 of 16	No	Yes	No (Pending Revised POCA)
Youth Co-Op, Inc.	Florida Keys	9.52%	1 of 6	No	Yes	Yes
Youth Co-Op, Inc.	Homestead	2.89%	3 of 11	No	Not yet due	N/A
Youth Co-Op, Inc.	Little Havana	5.35%	8 of 14	No	Not yet due	N/A
Youth Co-Op, Inc.	Northside	9.39%	11 of 22	No	Not yet due	N/A
Youth Co-Op, Inc.	Perrine	4.55%	4 of 15	No	Yes	Yes
Youth Co-Op, Inc.	West Dade	2.88%	2 of 7	No	Not yet due	N/A

* = Altered documentation was found in sampled case files

Summary of Monitorings Performed for Program Year 13-14 by the Office of Continuous Improvement from 7/1/13 to 3/14/14

Service Provider/ Programs Monitored	Total Monitored	Original Amount Disallowed Costs	Areas of Deficiencies Noted	Type of Deficiencies	Repeat Finding	Plan of Corrective Actions (POCA) Submitted	POCA Accepted
Greater Miami Services Corp	\$1,542,961.00	None	Required elements were not included in the Cost Allocation Plan. The methodologies described in the plan were not being followed.	Non-compliance with the code of federal regulations and the requirements of the executed contract.	n/a	Yes	Yes
Out of School Youth			The agency-wide budget did not include budget narratives and the allocation of each budget line item to the funding source.	Operational deficiency.	n/a		
			Budget modifications were not timely requested for sampled budget line items with favorable variances over 15%.	Non-compliance with the code of federal regulations and requirements of the executed contract.	Yes		
			Outstanding invoices not paid to vendors timely.	Operational deficiency.	n/a		
			Sampled personnel files were incomplete at the time of the review.	Non-compliance with stipulations of the executed contract.	Yes		
			The electronic recordkeeping policies lacked required elements established by Florida Statutes.	Non-compliance with Florida Statutes and the Florida Administrative Code.	n/a		
Transition, Inc.	\$382,493.00	\$1,432.42	The Cost Allocation Plan did not clearly indicate the methodology for the allocation of indirect costs.	Non-compliance with the code of federal regulations and the requirements of the executed contract	n/a	Yes	Yes
Career Center Offender Program			Disallowed costs in the amount of \$1,432.42 was related to the over allocation of expenditures, unallowable costs and late payment fees.	Non-compliance with the code of federal regulations and the requirements of the executed contract.	Yes		
			Outstanding invoices were not paid to vendors in a timely manner.	Operational deficiency.	n/a		
			Recordkeeping issues regarding check requests forms not properly completed to indicate percentage allocations to the various funding sources; consequently, lacking adequate audit trails.	Recordkeeping deficiency.	n/a		
			Sampled travel expenditures were not adequately documented.	Non-compliance with requirements of Florida Statutes.	Yes		
			Budget modifications were not timely requested for sampled budget line items with favorable variances over 15%.	Non-compliance with the code of federal regulations and the requirements of the executed contract.	Yes		
			Bank reconciliations were not signed by the preparer and reviewer	Operational deficiency.	n/a		
			Sampled personnel files were incomplete at the time of the review.	Non-compliance with stipulations of the executed contract.	Yes		
			Salaries paid were not in accordance with the approved budget.	Operational deficiency.	n/a		
			The electronic recordkeeping policies lacked required elements established by Florida Statutes.	Non-compliance with Florida Statutes and Florida Administrative Code	n/a		
UNIDAD of Miami Beach, Inc.	\$4,666,661.80	\$15,347.36	Entered into a professional service agreement with BLN Services, Inc. (BLN) for financial consulting and human resources services without prior written approval from SFWIB.	Operational deficiency.	n/a	Yes	Partially accepted. Pending

Summary of Monitorings Performed for Program Year 13-14 by the Office of Continuous Improvement from 7/1/13 to 3/14/14

							payment of \$4,943.15
Career Center, In-school Youth and Refugee			Did not perform month-end closings of its books of accounts; sampled adjusting entries were not properly documented or explained.	Non-compliance with requirements of the executed contracts.	n/a		
			Numerous non-compliance and recordkeeping issues were noted in the refugee program. Performance measures billed to SFWIB were not properly documented in clients' files, as a result, \$6,964.84 were identified as disallowed costs.	Non-compliance with federal regulations and stipulations of the executed refugee contract.	Yes		
			The Cost Allocation Plan did not include required elements, documentation to support allocation methodologies, was not submitted timely to SFWIB, established cost allocation methodologies were not being followed and expenditures were improperly allocated.	Non-compliance with the code of federal regulations, the Final Guidance on Cost Allocations for RWB and the requirements of the executed contracts.	n/a		
			UNIDAD was in breach of Article II, Section E (5) and Article IV, Section M, of the executed contracts, which stated the Contract Invoices shall reflect only expenditures incurred and paid by the Contractor for the month when services were rendered. UNIDAD routinely submitted expenditures for reimbursement for items for which the expenditure had not been incurred and/or paid.	Non-compliance with requirements of the executed contracts.	n/a		
			Did not effectively monitor budget variances Favorable budget line items over 15% were identified, but budget modifications were not timely submitted to SFWIB.	Non-compliance with the code of federal regulations and the requirements of the executed contracts.	n/a		
			Finance charges on borrowed capital were incurred and erroneously allocated to SFWIB programs; as a result \$476.625 was disallowed.	Non-compliance with the code of federal regulations.	n/a		
			SFWIB was unable to determine the accuracy of BLN total hours or percentage reported by activities, as the daily attendance sheets did not reflect the best estimate of time actually expended by activity when compared to the Personnel Activity Reports.	Operational deficiency.	n/a		
			UNIDAD submitted and received reimbursement for staff trainings prior to the successful completion of the events, but the events did not eventually materialize. As a result \$5,040.00 was disallowed.	Non-compliance with the code of federal regulations and the requirements of the executed contracts.	n/a		
			UNIDAD erroneously paid incentive bonus from the youth program funding stream to BLN. As a result, \$230.00 was disallowed.	Non-compliance with the code of federal regulations and the requirements of the executed contracts.	n/a		
			Outstanding invoices were not paid to vendors timely.	Operational deficiency.	n/a		
			Checks were not issued in strict sequential order.	Operational deficiency.	Yes		
			The operating account did not include images of cancelled checks.	Operational deficiency.	Yes		
			Sampled bank reconciliation was not prepared accurately, as adjusting entries were not deducted from the total amount of payroll checks not disbursed.	Operational deficiency.	Yes		

Summary of Monitorings Performed for Program Year 13-14 by the Office of Continuous Improvement from 7/1/13 to 3/14/14

			There was no documented evidence sampled check requests forms were approved for payment by supervisory personnel.	Operational deficiency.	n/a		
			Did not provide supporting documentation or the supporting documentation was not adequate for items purchased with corporate credit cards. As a result \$1,583.97 was disallowed.	Non-compliance with the code of federal regulations and the requirements of the executed contracts.	Yes		
			OCI was not able to trace sampled transactions to the general ledger related to charges thru the corporate credit cards; checks were generated for payments, but not remitted or posted to the corresponding general ledger expense accounts.	Operational deficiency.	n/a		
			Did not follow its own credit card policies and procedures as it did not properly maintain the credit card log to keep track of loaned credit cards.	Noncompliance with UNIDAD's existing policies and procedures.	Yes		
			Sampled personnel files were not properly documented and annual performance evaluations were not done in a timely manner.	Noncompliance with stipulations of the executed contracts.	Yes		
			Required monthly reports were not submitted to SFWIB.	Noncompliance with the reporting requirements as stipulated in the executed contracts.	Yes		
			Did not enroll as an employer in the E-Verify program within thirty (30) calendar days of contract award.	Noncompliance with federal regulations and the requirements of the executed contracts.	n/a		
			Electronic recordkeeping policies and procedures were not updated as indicated in the prior monitoring response submitted; the policies did not include requirements of the Florida Statutes and the Florida Administrative Code.	Noncompliance with the Florida Statutes and the Florida Administrative Code.	Yes		
			Did not maintain a fixed assets inventory.	Noncompliance with federal regulations and the requirements of the executed contract.	n/a		
			Did not maintain documented evidence that it had performed cost or price analysis for procured financial and human resources consulting services.	Noncompliance with the code of federal regulations.	n/a		
			UNIDAD was in breach of contract as the Financial Closeout Packages submitted to SFWIB were incomplete and inaccurate.	Noncompliance with federal regulations and requirements of the executed contract.	n/a		
Cuban American National Council, Inc. (CANC)	\$4,122,860.00	\$15,933.73	Numerous non-compliance and recordkeeping issues were noted in the refugee program. Performance measures billed to SFWIB were not properly documented in clients' files; nor could they be confirmed with the employer of record or the clients'; as a result \$15,933.73 was disallowed.	Non-compliance with federal regulations and the stipulations of the executed refugee contract.	Yes	Yes	Yes
In-School Youth, Out of School Youth and Refuge			The Cost Allocation Plan did not include required documentation to support allocation methodologies.	Non-compliance with the code of federal regulations and the requirements of the executed contracts.	Yes		
			Sampled budget line items for the In-School and Out of School programs had favorable variances over 15%; however, budget modifications were not submitted timely as required.	Non-compliance with the code of federal regulations and the requirements of the executed contracts.	Yes		

Summary of Monitorings Performed for Program Year 13-14 by the Office of Continuous Improvement from 7/1/13 to 3/14/14

			Sampled payments to vendors were not remitted in a timely manner.	Operational deficiency.	Yes		
			Sampled invoices submitted to SFWIB for reimbursement included late fees, which are unallowable costs; in addition, the agency incurred overdrafts fees which are also unallowable costs, but these costs were not properly recorded in the general ledger.	Non-compliance with the code of federal regulations and requirements of the executed contracts.	Yes		
			The electronic recordkeeping policies lacked required elements.	Non-compliance with the Florida Statutes and the Florida Administrative Code.	n/a		
			The agency did not register nor utilized the E-verify system to verify employment eligibility.	Non-compliance with the code of federal regulations and the requirements of the executed contracts.	n/a		
Community Coalition, Inc. (CC)	\$1,671,335.00	\$9,225.39	Numerous non-compliance and recordkeeping issues were noted in the refugee program. Performance measures billed to SFWIB were not properly documented in clients' files nor could they be confirmed with the employer of record or the clients; as a result \$723.96 was disallowed.	Non-compliance with federal regulations and the stipulations of the executed refugee contract.	Yes	Yes	Yes
In-School Youth and Refugee Programs			The Cost Allocation Plan did not include certain elements as required. The expenditures were not being allocated in accordance with the approved CAP.	Non-compliance with the code of federal regulations, the Final Guidance on Cost Allocations for RWB and requirements of the executed contracts.	Yes		
			Consistently, invoices were not being submitted timely to SFWIB for program years 11-12 and 12-13; consequently, penalties in the amount of \$31,848.41 and \$39,450.66, respectively, were assessed by SFWIB's Finance Unit. This is a recurring issue which has been brought to the attention of senior manager.	Non-compliance with requirements of the executed contracts.	Yes		
			Sampled payment to vendors and credit card companies were not remitted in a timely manner; payments were not generated by original invoices. Unallowable costs (sale taxes, late fees and interest charges) were paid but not recorded to the accounting system as such; they incorrectly misclassified and posted to the general ledger instead.	Non-compliance with federal regulations and operational.	Yes		
			For program year 11-12, performance holdback payments were not distributed and expended in accordance with the requirements of the contract; as a result \$6,543.62 was disallowed.	Operational deficiency.	n/a		
			Did not maintain adequate supporting documentation for sampled expenditures, transactions were incorrectly allocated to SFWIB programs, resulting in a disallowance of \$1,597.80.	Non-compliance with the code of federal regulations, the Final Guidance on Cost Allocations for RWB and requirements of the executed contracts.	Yes		
			Actual salaries and corresponding allocations to various programs did not correspond to SFWIB's approved budgets	Non-compliance with requirements of the executed contracts.	Yes		
			CC submitted and received reimbursement for telephone expenditures under the administration budget, which was not an approved budget line item; as a result, \$360.01 disallowance.	Operational deficiency.			
			Cost reflected on the PY 12-13 agency-wide budget did not appear to have been properly forecasted to prevent shortfalls during the program year. In addition, the agency-wide budget narratives did not agree with the narratives included in SFWIB's program budgets; furthermore, the SFWIB approved budgets showed numerous errors and inconsistencies.	Operational deficiency.	n/a		
			Sampled local travel expenses were not adequately documented.	Non-compliance with the code of federal regulations, Florida Statutes and the DEO	n/a		

Summary of Monitorings Performed for Program Year 13-14 by the Office of Continuous Improvement from 7/1/13 to 3/14/14

				State Travel Manual. Operational deficiency.			
			Checks were not issued in strict sequential order and in some instances, incorrect check numbers were entered into the accounting system.	Operational deficiency.	Yes		
			The percentage allocation documented on a sampled Personnel Activity Report did not agree with the approved In-School budget and payroll registers.	Operational deficiency.	n/a		
			Sampled budget line items for the In-School program had favorable variances over 15%; however, budget modifications were not submitted timely as required.	Non-compliance with the code of federal regulations requirements and the executed contracts.	n/a		
			There was no documented evidence general ledger accounts were reviewed for reasonableness on a monthly basis; in addition, sampled journal entries for allocation of expenditures to SFWIB programs were not review and approved by authorized personnel. Sampled bank reconciliations were not signed and dated by the preparer.	Operational deficiency.	Yes		
			Bank reconciliations showed state dated checks outstanding over 90 days, although the face of the checks indicated "void after 90 days".	Operational deficiency.	Yes		
			Sampled employees' files did not include all required documentation; forms were not completed in its entirety as required by federal regulations. CC did not enroll as an employer in the E-Verify program within thirty (30) calendar days of contract award.	Non-compliance with the code of federal regulations and the requirements of the executed contracts.	Yes		
			CC did not timely submit to the contract manager or uploaded to SFWIB's Intranet required monthly reports.	Non-compliance with the terms of the executed contracts.	n/a		
			The procurement and electronic recordkeeping policies and procedures did not include required elements.	Non-compliance with the code of federal regulations, Florida Statutes and Florida Administrative Code.	Yes		
Adults Mankind Organization, Inc. (AMO)	\$5,324,753.00	\$5,593.53	Numerous non-compliance and recordkeeping issues were noted in the refugee program. Performance measures billed to SFWIB were not properly documented in clients' files nor could they be confirmed with the employer of record or the clients; as a result \$4,475.76 was disallowed.	Non-compliance with the code of federal regulations and the stipulations of the executed refugee contract.	n/a	Yes	Yes
In-School, Out of School Youth and Refugee programs			The Cost Allocation Plan was not developed in conformity with federal regulations and the Guidance for Regional Workforce Board, as it did not include required elements; AMO did not follow its established cost allocation methodology and expenditures were improperly allocated.	Non-compliance with the code of federal regulations, the requirements of the executed contracts and operational deficiency.	n/a		
			AMO submitted and received reimbursement from SFWIB for a portion of legal fees related to AMO's defense of legal actions initiated by a former employee in the amount of \$629.00. Costs associated with legal actions are unallowable costs; as a result \$629.00 was disallowed.	Non-compliance with the code of federal regulations.	n/a		
			AMO billed SFWIB a portion of an employee's salary for time worked on the OSY program; however, corresponding salary paid for hours as documented on the employee's time justification form did not agree to the amount shown on the payroll register; accordingly the amount of \$480.77 was disallowed.	Operational deficiency.	n/a		
			AMO transferred equipment from site to site, but failed to complete a fixed assets inventory transfer form.	Noncompliance with requirements of the executed contracts.	n/a		
			The Financial Closeout Packages for the OSY program for program year 12-13 was submitted late.	Non-compliance with requirements of the executed contracts.	n/a		

Summary of Monitorings Performed for Program Year 13-14 by the Office of Continuous Improvement from 7/1/13 to 3/14/14

Arbor E & T, LLC (Arbor)	\$1,626,137.00	\$10,548.58	Numerous non-compliance and recordkeeping issues were noted in the refugee program. Performance measures billed to SFWIB were not properly documented in clients' files nor could they be confirmed with the employer of record or the clients; as a result \$10,548.58 was disallowed.	Non-compliance with the code of federal regulations and the requirements of the executed contracts.	Yes	Yes	Yes
Career Centers (Carol City and Hialeah Gardens) and Refugee Program			Budget variances were not adequately monitored; budget modifications were not timely requested sampled budget line items showing favorable variances greater than fifteen (15) percent.	Non-compliance with the code of federal regulations and the requirements of the executed contracts.	Yes		
			The Cost Allocation Plan did not include certain required elements. The expenditures were not being allocated in accordance with the approved CAP.	Non-compliance with the requirements of the Final Guidance on Cost Allocation Plans for Regional Workforce Boards, The Final Guide and the executed contracts.	n/a		
			Sampled expenditures reviewed were missing the document authorizing payment as part of the supporting documentation.	Operational deficiency.			
			Sampled bank statements and reconciliations did not show evident of review and approval by supervisory/authorized personnel in a timely manner.	Operational deficiency.	n/a		
			Sampled personnel files lacked required documentation.	Non-compliance with requirements of the executed contracts.	Yes		
			Arbor's Electronic Recordkeeping policy was not in compliance with requirements.	Non-compliance with the Florida Statutes and the Florida Administrative Code.	n/a		
City of Miami	\$2,846,329.00	\$1,873.34	City of Miami was in breach of Article II, Section E (5) and Article IV, Section M, of the executed contracts, which stated the Contract Invoices shall reflect only expenditures incurred and paid by the Contractor for the month when services were rendered. City of Miami submitted expenditures for reimbursement for items for which an expenditure had not been incurred and/or paid, resulting in a disallowance of \$1,831.30.	Non-compliance with requirements of the executed contract.	n/a	No	No
			An incorrect amount related to postage expenditures was submitted for reimbursement, resulting in a disallowance of \$42.04.	Operational deficiency.	n/a		
			Budget variances were not adequately monitored; budget modifications were not timely requested sampled budget line items showing favorable variances greater than fifteen (15) percent.	Non-compliance with the code of federal regulations and the requirements of the executed contract.	n/a		
			Sampled personnel files did not include all required documentation.	Non-compliance with the requirements of the executed contract.	n/a		
			The City of Miami Public Records Requests and Retention Policies and Procedures did not include electronic recordkeeping policies and procedures.	Non-compliance with the Florida Statutes and the Florida Administrative Code.	n/a		
Youth Co-Op, Inc.	\$34,242,432.00	\$701.11	Numerous non-compliance and recordkeeping issues were noted in the refugee program. Performance measures billed to SFWIB were not properly documented in clients' files nor could they be confirmed with the employer of record or the clients; as a result \$701.11 was disallowed.	Non-compliance with the code of federal regulations and the requirements of the executed contracts.	Yes	Yes	Yes
			The Cost Allocation Plan did not include the resource sharing section.	Non-compliance with the requirements of the Final Guidance on Cost Allocation Plans for Regional Workforce Boards, The Final Guide	n/a		

Summary of Monitorings Performed for Program Year 13-14 by the Office of Continuous Improvement from 7/1/13 to 3/14/14

				and the executed contracts.			
			Budget variances were not adequately monitored; budget modifications were not timely requested as sampled budget line items showing favorable variances greater than fifteen (15) percent.	Non-compliance with the code of federal regulations and the requirements of the executed contracts.	n/a		
			The existing credit card policy did not address procedures for the return of the corporate cards upon separation or employment or upon request by management.	Operational deficiency.	Yes		
			Sampled personnel files showed quality control deficiencies whereas required documentation was not in the files at the time of the review.	Operational deficiency.	Yes		
			<i>Office of Management and Budget Management Decision Letters Issued</i>				
			Ser Jobs for Progress, Inc.				
			Transition, Inc.				
			Miami Dade College				
			Youth Co-Op, Inc.				
			Greater Miami Service Corp.				
			Adults Mankind Organization, Inc.				
			UNIDAD of Miami Beach, Inc.				
			City of Hialeah				
			Community Coalition, Inc.				
			Arbor E&T, LLC.				
			Cuban American National Council, Inc.				
			Gulf Coast Jewish Family Services, Inc.				
			Lutheran Services of Florida, Inc.				