



**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD**

**AUDIT COMMITTEE MEETING**

**October 30, 2014  
8:00 A.M.**

Double Tree by Hilton Miami Airport Hotel  
Convention Center, 2<sup>nd</sup> floor  
711 NW 72nd Avenue  
Miami, Florida 33126

**AGENDA**

1. Call to Order and Introductions
2. Approval of Meeting Minutes
  - A. June 19, 2014
  - B. July 21, 2014
3. Information – Status of 2013-14 Fiscal Audit
4. Information – External Audit/Monitoring Activity Report
5. Information – Internal Monitoring Activity Report



**AUDIT COMMITTEE**

**AGENDA ITEM NUMBER: 2A**

**DATE:** October 30, 2014 8:00AM

**AGENDA ITEM SUBJECT: MEETING MINUTES**

June 19, 2014 at 8:00am  
 Doubletree by Hilton Miami Airport Hotel  
 Convention Center, 2<sup>nd</sup> 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"> <li>1. Piedra, Obdulio, <i>Chairperson</i></li> <li>2. Gibson, Charles A., <i>Vice Chairperson</i></li> <li>3. Adrover, Bernardo</li> <li>4. Bridges, Jeff</li> <li>5. Chi, Joe</li> <li>6. Datorre, Roberto</li> <li>7. Montoya, Rolando</li> <li>8. Zewadski-Bricker, Edith</li> </ol>	<ol style="list-style-type: none"> <li>9. Carpenter, Willie</li> </ol> <p><b>SFW STAFF</b>            Beasley, Rick            Alonso, Gustavo            Garcia, Christine            Quinones, Dulce</p>	<p>Conroy, Isabel – <i>Monroe County</i></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 8:11am, asked those present introduce themselves and noted that a quorum of members had been achieved.

**2.A. Approval of the Audit Committee’s December 19, 2013**

Dr. Rolando Montoya moved the approval of December 19, 2013 meeting minutes. Motion seconded by Mr. Jeff Bridges; **Motion Passed Unanimously**

**2.B. Approval of the Audit Committee’s April 24, 2014**

Mr. Jeff Bridges moved the approval of April 24, 2014 meeting minutes. Motion seconded by Mr. Bernardo Adrover; **Motion Passed Unanimously**

[Mr. Datorre arrived]

**3. Recommendation as to Approval to Select BCA Watson Rice, LLP to perform the Financial Statement and Compliance Audits for the Fiscal Year Ending on June 30, 2014**

Chairman Piedra presented the item.

Dr. Montoya moved the approval to select BCA Watson Rice, LLP to perform the Financial Statement and Compliance Audits for the Fiscal Year Ending on June 30, 2014. Motion seconded by Ms Edith Zewadski-Bricker; **Further Discussion(s):**

Mr. Bridges had questions regarding the current contracted year and Mr. Piedra explained.

Dr. Montoya commended BCA Watson Rice, LLP for their outstanding audit services.

**Motion Passed with Unanimous Consent**

**4. Information - Fiscal Monitoring Activity Report**

Chairman Piedra introduced the item and SFWIB Assistant Director Gustavo Alonso further presented. He additionally explained the reimbursement process, as well as the monitoring of disallowances of overpayments.

Mr. Adrover asked whether this agency has been refunded any overpayments from providers. Mr. Alonso responded, "Yes" and explained that the most recent refund had been received by the City of Hialeah. Mr. Adrover asked whether refunds were collected within the same fiscal year they were initially disbursed, or are they later deducted from future disbursements. Mr. Alonso further explained.

Mr. Alonso further discussed the Automated Clearing House (ACH) system process and the current challenges of chargebacks.

Mr. Piedra recommended creating a procedure that would require a five day grace period for chargebacks.

Dr. Montoya explained the potential challenges to chargeback public institutions.

Mr. Alonso noted that the primary goal is to allow chargebacks from current service providers. Assistant Comp Controller Christine Garcia explained the process for providers.

Mr. Gibson inquired about the rationale for chargebacks.

Mr. Bridges clarified the two key issues, which are: (1) whether schools will accept electronic payments via ACH system and (2) whether they will also accept chargebacks.

Mr. Piedra requested staff verify whether these processes are in compliance with South Florida Workforce/ CSSF rules and regulations. He additionally recommended refresher training for all staff once these processes have been fully implemented.

Mr. Adrover recommended implementing completion deadlines after a Plan of Correction Action is given (POCA).

SFWIB Contracts Compliance Supervisor explained in detail the monitoring process, additionally noting that deadlines have already been implemented.

Audit Committee Meeting

June 19, 2014

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Mr. Gibson asked staff to explain the issue with Miami Dade College Take Stock in Children operational deficiencies with PC cards and Ms. Quinones provided details. She also provided a breakdown of the various noncompliance issues.

Dr. Montoya briefly provided information on Miami Dade College policies.

Mr. Bridges recommended moving forward the ACH deposits and delaying the process of chargebacks.

Dr. Montoya recommended meeting with representatives of SFWIB/CSSF's partners to explain the new ACH system.

Chairman Piedra recommended staff schedule a follow-up meeting with audit committee to review all summary reports of all audits.

Dr. Montoya inquired about the various findings by the state and Mr. Alonso further explained.

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



**AUDIT COMMITTEE**

**AGENDA ITEM NUMBER: 2B**

**DATE: October 30, 2014 at 8:00AM**

**AGENDA ITEM SUBJECT: MEETING MINUTES**

July 21, 2014 at 8:00am  
 Doubletree by Hilton Miami Airport Hotel  
 Convention Center, 2<sup>nd</sup> floor  
 711 NW 72nd Avenue  
 Miami, Florida 33126

<b>COMMITTEE MEMBERS IN ATTENDANCE</b>	<b>COMMITTEE MEMBERS NOT IN ATTENDANCE</b>	<b>OTHER ATTENDEES</b>
<ol style="list-style-type: none"> <li>1. Piedra, Obdulio, <i>Chairperson</i></li> <li>2. Datorre, Roberto</li> <li>3. Zewadski-Bricker, Edith</li> </ol>	<ol style="list-style-type: none"> <li>4. Carpenter, Willie</li> <li>5. Gibson, Charles A., <i>Vice Chairperson</i></li> <li>6. Adrover, Bernardo</li> <li>7. Bridges, Jeff</li> <li>8. Chi, Joe</li> <li>9. Montoya, Rolando</li> </ol> <p><b>SFW STAFF</b>            Beasley, Rick            Alonso, Gustavo            Garcia, Christine            Jean-Baptiste            Quinones, Dulce</p>	<p>*****No Attendees***</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 2:27pm, then asked those present introduce themselves.

**3. Recommendation as to Approval to Select BCA Watson Rice, LLP to perform the Financial Statement and Compliance Audits for the Fiscal Year Ending on June 30, 2014**

Chairman Piedra called Mr. Ronald Thompkins of BCA Watson Rice, LLP who appeared before the Committee and briefly introduced himself, Mr. Thomas Williams, and Ms. Carsheena Allison who also appeared before the Committee and reviewed in detail a Planning Communications to the Audit Committee Fiscal Year June 30, 2014 PowerPoint presentation.

SFWIB Gustavo Alonso responded to the concerns regarding the status of an RFP for IT Penetration Testing. He explained the current challenges.

The following concerns were asked:

- Was the status on the re-bidding process?
- Whether the allotted funds for the IT Penetration testing would be carried forward to the next year?
- Was this a regular line item?
- Did we find a qualified respondent?
- Why have there been extremely low respondents for this type of testing?
- Did staff seek the legal council's advice regarding the challenges with the RFP for this service?

During Ms. Allison's presentation, Mr. Datorre requested information regarding the responsibilities of this agency's legal counsel. Both Mr. Beasley and Chairman Piedra explained. Chairman Piedra inquired about the due date to submit the final audit report to the state.

Mr. Datorre inquired about the comparison of last year's report to the current.

Chairman Piedra requested the current status of the Auditor's review of the policies and procedures for the recent implementation of an Automated Clearing House (ACH) system.

Mr. Piedra asked the auditors whether they are required to review all of the audits conducted by the state and federal governments to ensure that all action items have been complied with. Ms. Allison further responded. Mr. Datorre asked about Career Center audits and she further provided details.

Chairman Piedra inquired about the processes. He also inquired about the information provided by Ms. Allison regarding GASBE.

#### **4. Information - Fiscal Monitoring Activity Report**

Mr. Beasley presented the item and reviewed with the Committee the Audit/Monitoring Activity Report and there was discussion regarding the various findings and observations.

Chairman Piedra asked whether there are any outstanding findings (those that have yet been resolved).

#### **5. Information – Internal Monitoring Activity Report**

Chairman Piedra introduced the item. Executive Director Rick Beasley further discussed and reviewed with the Committee the Summary of Monitoring Performed for Program Year 13-14 report.

Chairman Piedra asked how many refugee program locations are there in the Miami Beach area. Mr. Beasley responded a total of two. He later questioned whether there's a need for two in that area.

SFWIB Contract Compliance Supervisor, Dulce Quinones briefly discussed the areas of deficiencies.

Mr. Beasley also covered information on Greater Miami Service Corp., of which Chairman Piedra inquired about the services provided by this agency. Staff explained.

Ms. Zewadski-Bricker asked whether there were any major issues with any of the career centers located within the Keys. Staff responded none.

Ms. Zewadski- Bricker inquired about potential services to South American refugee children. Mr. Beasley provided details regarding future budgets to provide additional refugee services.

Mr. Datorre inquired about services that can be provided to them. Mr. Beasley responded that potentially housing, transportation and other needed services. Mr. Datorre inquired about children's arrival to the U.S.

Chairman Piedra commented on the positive impact it would potentially be to allow migrant children into the U.S., as he briefly discussed the success of Operation Peter Pan in the 1960s.

**Deferred Items:**

**2.A. Approval of the Audit Committee's June 19, 2014 Meeting Minutes**

There being no further business to come before the Committee, the meeting adjourned at 3:10pm



**SFWIB AUDIT COMMITTEE**

**DATE:** 10/30/2014

**AGENDA ITEM NUMBER:** 3

**AGENDA ITEM SUBJECT:** STATUS OF 2013-14 FISCAL AUDIT

**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:**

On June 19, 2014, 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 Fiscal Year 2013-14. Subsequently, SFWIB staff contacted members of the Watson Rice Management Team and asked them to communicate with the Audit Committee on matters related to the progress and status of the audit.

Mr. Thompkins will discuss the audit status, scope and timing with the members of the Committee

**FUNDING:** N/A

**PERFORMANCE:** N/A

*NO ATTACHMENT*



**SFWIB AUDIT COMMITTEE**

**DATE:** 10/30/2014

**AGENDA ITEM NUMBER:** 4

**AGENDA ITEM SUBJECT:** ACTIVITY REPORT -- FISCAL AUDIT/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 instructing staff to present monitoring activity reports at subsequent Audit Committee meetings.

In response to said request, SFWIB staff prepared the attached Activity Report. The report is a summary of the findings resulting from External Fiscal Audit/Monitoring activities.

**FUNDING:** N/A

**PERFORMANCE:** N/A

*ATTACHMENT*

## AUDIT/MONITORING ACTIVITY REPORT

Auditor	Description	Period	Status	Report Date	Opinion Issued	Findings	Observations	Recommendations
TCBA Watson Rice LLP	Annual Audited Financial Statements & OMB A-133 Audit	7/1/13-6/30/14	In Progress					
Department of Economic Opportunity	Annual Monitoring	7/1/13-6/30/14	Completed	8/29/2014	N/A	1	1	
TCBA Watson Rice LLP	Annual Audited Financial Statements & OMB A-133 Audit	7/1/12-6/30/13	Completed	12/19/2013	Unqualified	-		
Audit General Office	Special ITA Monitoring	7/1/11-6/30/13	Completed	2/5/2014	N/A	4		
McGladrey, subcontracted through DEO	Annual Monitoring	7/1/12-2/28/13	Completed	5/16/13 released 8/14/13	N/A	-	1	-
TCBA Watson Rice LLP	Annual Audited Financial Statements & OMB A-133 Audit	7/1/11-6/30/12	Completed	12/14/2012	Unqualified	-	-	-
KPMG, LLP subcontracted through DEO	Annual Monitoring	2/1/11-12/31/11	Completed	3/6/12 released 4/19/12	N/A	1	2	-
Sharpton, Brunson & Company P.A.	Annual Audited Financial Statements & OMB A-133 Audit	7/1/10-6/30/11	Completed	11/22/2011	Unqualified	-	-	-
KPMG, LLP subcontracted through AWI	Annual Monitoring	1/1/10-1/31/11	Completed	3/25/11 released 4/27/11	N/A	-	2	-
Sharpton, Brunson & Company P.A.	Annual Audited Financial Statements & OMB A-133 Audit	7/1/09-6/30/10	Completed	12/20/2010	Unqualified	-	-	-
Thomas, Howell, Ferguson, P.A. subcontracted through AWI	Annual Monitoring	7/1/09-12/31/09	Completed	3/2/10 released 9/15/10	N/A	1	2	-
Sharpton, Brunson & Company P.A.	Annual Audited Financial Statements & OMB A-133 Audit	7/1/08-6/30/09	Completed	12/10/2009	Unqualified	-	-	-
Thomas, Howell, Ferguson, P.A. subcontracted through AWI	Annual Monitoring	7/1/08-3/31/09	Completed	5/22/2009	N/A	-	-	-
Sharpton, Brunson & Company P.A.	Annual Audited Financial Statements & OMB A-133 Audit	7/1/07-6/30/08	Completed	2/10/2009	Unqualified	-	-	-
Thomas, Howell, Ferguson, P.A. subcontracted through AWI	Annual Monitoring	7/1/07-4/30/08	Completed	6/23/2008	N/A	-	-	2



**SFWIB AUDIT COMMITTEE**

**DATE:** 10/30/2014

**AGENDA ITEM NUMBER:** 5

**AGENDA ITEM SUBJECT:** ACTIVITY REPORT -- INTERNAL 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 instructing staff to present monitoring activity reports at subsequent Audit Committee meetings.

In response to said request, SFWIB staff prepared the attached Activity Report. The report is a summary of the findings resulting from CSSF Internal Fiscal Monitoring activities.

**FUNDING:** NA

**PERFORMANCE:** NA

*ATTACHMENT*

## Quality Assurance Review Results

Wagner-Peyser (WP) PY13-14						
Provider	Center	Error Rate	Repeat Findings	Disallowances	POCA Received	POCA Accepted
Arbor E&T, LLC*	Carol City/ Opa Locka	12.05%	5 of 9	No	Yes	Yes
City of Hialeah	Hialeah Downtown	7.28%	7 of 9	No	Yes	Yes
City of Miami	City of Miami	6.19%	4 <i>(1st Yr. Reviewed)</i>	No	Yes	Yes
SER-Jobs for Progress, Inc.	North Miami Beach	16.96%	5 of 13	No	Yes	Yes
UNIDAD of Miami Beach, Inc.*	Miami Beach	16.35%	5 of 12	No	Yes	Pending review
Youth Co-Op, Inc.	Florida Keys	7.14%	1 of 5	No	Yes	Yes
Youth Co-Op, Inc.	Homestead	8.04%	3 of 6	No	Yes	Yes
Youth Co-Op, Inc.	Little Havana	15.09%	4 of 8	No	Yes	Yes
Youth Co-Op, Inc.	Northside	7.27%	5 of 6	No	Yes	Yes
Youth Co-Op, Inc.	Perrine	6.11%	2 of 4	No	Yes	Yes
Youth Co-Op, Inc.	West Dade	11.19%	1 of 7	No	Yes	Yes
Transition, Inc.	Offender Service Center	30.88%	5 of 16	No	Yes	Pending review

\* As of 7/1/14, center(s) are operated by KRA Corporation.

## Quality Assurance Review Results

Reemployment and Eligibility Assessment (REA) PY13-14						
Provider	Center	Error Rate	Repeat Findings	Disallowances	POCA Received	POCA Accepted
Arbor E&T, LLC*	Carol City/ Opa Locka	1.21%	0 of 1	No	Yes	Yes
City of Hialeah	Hialeah Downtown	5.00%	2 of 6	No	Yes	Yes
City of Miami	City of Miami	0.00%	<i>1st Yr. Reviewed</i>	No	Yes	Yes
SER-Jobs for Progress, Inc.	North Miami Beach	3.99%	1 of 5	No	Yes	Yes
UNIDAD of Miami Beach, Inc.*	Miami Beach	2.68%	3 of 3	No	Yes	Yes
Youth Co-Op, Inc.	Florida Keys	2.74%	0 of 2	No	Yes	Yes
Youth Co-Op, Inc.	Homestead	7.05%	1 of 2	No	Yes	Yes
Youth Co-Op, Inc.	Little Havana	3.05%	3 of 3	No	Yes	Yes
Youth Co-Op, Inc.	Northside	2.90%	2 of 4	No	Yes	Yes
Youth Co-Op, Inc.	Perrine	0.00%	N/A	No	Yes	Yes
Youth Co-Op, Inc.	West Dade	2.02%	1 of 2	No	Yes	Yes

\* As of 7/1/14, center(s) are operated by KRA Corporation.

## Quality Assurance Review Results

<b>In-School Youth (ISY) PY13-14</b>					
<b>Provider</b>	<b>Error Rate</b>	<b>Repeat Findings</b>	<b>Disallowances</b>	<b>POCA Received</b>	<b>POCA Accepted</b>
Adults Mankind Organization, Inc.	4.50%	3 of 5	No	Yes	Yes
Community Coalition, Inc.	2.62%	3 of 9	No	Yes	Yes
Cuban American National Council, Inc.	2.97%	1 of 4	No	Yes	Yes
UNIDAD of Miami Beach, Inc.	2.42%	3 of 3	No	Yes	Yes
Youth Co-Op, Inc. (Miami-Dade)	0.94%	1 of 5	No	Yes	Yes
Youth Co-Op, Inc. (Florida Keys)	5.99%	1 of 8	No	Yes	Yes

<b>Out-of-School Youth (OSY) PY13-14 Quality Assurance Review Results</b>					
<b>Provider</b>	<b>Error Rate</b>	<b>Repeat Findings</b>	<b>Disallowances</b>	<b>POCA Received</b>	<b>POCA Accepted</b>
Adults Mankind Organization, Inc.	2.91%	1 of 4	No	Yes	Yes
Cuban American National Council, Inc.	2.66%	5 of 14	No	Yes	Yes
Greater Miami Service Corp	7.61%	5 of 16	No	Yes	Yes
Youth Co-Op, Inc. (Miami-Dade)	0.51%	1 of 3	No	Yes	Yes
Youth Co-Op, Inc. (Florida Keys)	4.96%	0 of 9	No	Yes	Yes

<b>Take Stock in Children (TSIC) PY13-14 Quality Assurance Review Results</b>					
<b>Provider</b>	<b>Error Rate</b>	<b>Repeat Findings</b>	<b>Disallowances</b>	<b>POCA Received</b>	<b>POCA Accepted</b>
Miami Dade College	2.73%	1 of 3	No	Yes	Yes

## Quality Assurance Review Results

Refugee Employment and Training Program (RETP) PY13-14					
Provider	Error Rate	Repeat Findings	Disallowances	POCA Received	POCA Accepted
Adults Mankind Organization, Inc.	2.27%	4 of 9	\$1,200.00	Yes	Under Review
Arbor E&T, LLC	1.80%	2 of 6	No	Yes	Yes
City of Hialeah	2.28%	3 of 9	\$2,400.00	Yes	Under Review
Community Coalition, Inc.	2.90%	3 of 8	\$3,600.00	Yes	Yes
Cuban American National Council, Inc.	3.04%	3 of 8	\$4,800.00	Yes	Yes
Lutheran Services Florida, Inc.	2.57%	5 of 9	\$4,800.00	No	N/A
Miami Beach Latin Chamber of Commerce, Inc.	0.91%	1 of 6	No	Yes	Under Review
UNIDAD of Miami Beach, Inc.	7.99%	7 of 14	\$1,200.00	No	N/A
Youth Co-Op, Inc.	0.95%	0 of 5	No	Yes	Yes

### FISCAL MONITORING RESULTS

Service Provider/ Programs Monitored	Total Amt. Monitored	Original Amount Disallowed Costs	Type of Deficiencies	Repeat Finding	Plan of Corrective Actions (POCA) Received
<b>REGULAR MONITORING</b>					
Community Coalition, Inc.	N/A	N/A			
<b>DUE DILLIGENCE REVIEWS</b>					
Greater Miami Services Corps – Youth Services	N/A	N/A	N/A	N/A	N/A
City of Hialeah – Workforce Services	N/A	N/A	N/A	N/A	N/A
Arbor E & T, LLC – Workforce Services	N/A	N/A	N/A	N/A	N/A
Transition, Inc. – Workforce Services	N/A	N/A	N/A	N/A	N/A
KRA Corporation – Workforce Services	N/A	N/A	N/A	N/A	N/A
<b>OMB A-133 REVIEWS</b>					
Ser Jobs for Progress, Inc. Final Management Decision					
Transition, Inc. – Audit Resolution and Management					
Greater Miami Services Corps – Final Management Decision					
City of Key West – Final Management Decision					
Adults Mankind Organization, Inc. Final Management Decision					
Transition, Inc. – Final Management Decision					
City of Miami – Final Management Decision					
Miami Dade College – Final Management Decision					