



**SFWIB FINANCE AND EFFICIENCY COUNCIL SPECIAL MEETING
EXTERNAL INDEPENDENT AUDIT FIRM PRESENTATIONS**

DATE/TIME: June 22, 2023, 2:30PM
LOCATION: CareerSource South Florida Headquarters
7300 Corporate Center Drive, Suite 500
Conference Room 2
Miami, FL 33126

Zoom: [https://us02web.zoom.us/meeting/register/tZEucOyvpz0oG9NfaINPILyPD-lmG4WZAHa4](https://us02web.zoom.us/join/https://us02web.zoom.us/meeting/register/tZEucOyvpz0oG9NfaINPILyPD-lmG4WZAHa4)

- 1. CALL TO ORDER:** Chairman Roth called to order a special meeting of the Finance and Efficiency Council to review External Independent Auditor RFP presentations, at 2:45PM on June 22, 2023.

ROLL CALL: 10 members; 6 required; 7 present: Quorum

SFWIB FEC MEMBERS PRESENT	SFWIB FEC MEMBERS ABSENT	SFWIB STAFF
Bridges, Jeff Datorre, Roberto Glean-Jones, Camela Perez, Andy (Zoom) Roth, Thomas, Vice-Chair Scott Jr., Kenneth	Adrover, Bernardo Gibson, Charles Lampon, Brenda Maxwell, Michelle SFWIB FEC MEMBERS EXCUSED	Beasley, Rick (Zoom) Bennett, Renee Petro, Basil Smith, Robert ADMINISTRATION/IT
RFQ RESPONDENTS		
<u>BCA Watson Rice, LLP</u> Allison, Carshena Greaves, Karen Sampson, Charlton Thompkins, Ron	<u>S. Davis and Associates, PA</u> Chambers-Nicholas, Joy Davis, Shaun Davis, Tanya George, Celeste Lewis, Annette Munnings, Faye	<u>MKA CPAs and Advisors</u> Moss, Ed

Chairman Roth reminded Council members of the purpose of the meeting and what to expect during the session. Mr. Smith established the presentation sequence. Respondents have 15 minutes to make



their presentation, followed by a question-and-answer session with the council. The non-presenting respondents were led to a separate area until it was their time to present.

1. Respondent - MKA CPAs and Advisors

Mr. Moss, of MKA, presented to FEC members. The presentation is available for viewing as an attachment to the meeting minutes.

Chairman Roth opened the floor to questions from the members.

Questions:

- Q.** Mr. Datorre inquired about the organization's primary location being in Orlando, FL who will be traveling to the South Florida region to oversee the project.
- A.** Mr. Moss indicated that he does have an individual slated to oversee and manage the project. He further advised that that travel time and expenses have been factored into their proposal response, as such, there will be no additional cost to consider.
- Q.** Mr. Scott inquired as to whether the organization has auditing experience with Federal programs. Mr. Bridges continued by explaining that the state allocates the federal funds the SFWIB receives. In addition, he informed Mr. Moss that South Florida has a unique structure due to our quasi-county status, as Miami-Dade County governs the Board.
- A.** Mr. Moss confirmed that his firm has audited roughly 40 organizations that have received Federal or State grant funding. Moreover, Palm Beach County Workforce Board is organized similarly to that of Miami-Dade County.
- Q.** Ms. Glean-Jones asked about the hourly rate and how it would be applied.
- A.** Mr. Moss explained that an hourly fee is typically employed only when an organization's scope of work exceeds what was initially presented. As a first-year auditing firm with SFWIB, he recognizes that start-up activities may require additional time and has accounted for this. The implementation of an hourly rate would never come as a surprise, as the firm will have a discussion with the CSSF team beforehand.
- Q.** Mr. Bridges wanted to know how the hours presented in the proposal were determined.
- A.** Mr. Moss explained that the standard non-profit audit is approximately 100-120 hours. After reviewing the number of grants awarded to the SFWIB, it was noted that there were four (4) major grants. His firm slated 30 hours per grant for that effort, which brought the total hours to 240.



The total quoted was 315, which includes a bit of cushion for extended grant time, additional start-up time, and travel.

- Q.** Chairman Roth asks if the project requires more hours than projected, would we be subject to additional costs.
- A.** Mr. Moss replied "no" directly. Staff members may not closely monitor their time, adding more hours than expected, especially in the first year of an audit. This however, is something that is closely monitored and managed internally. The client will experience no repercussions.
- Q.** Mr. Datorre asked how many years have MKA worked with Pasco and Palm Beach County CareerSource locations.
- A.** Mr. Moss responded that his company has been working with Pasco County since last year, while the Palm Beach County partnership began this year. He added that the firm's work with Pasco County has acquainted it with the grants similar to those administered to the SFWIB; however, over the years, the MKA has worked with numerous grant-compliant organizations. The auditor is responsible for conducting a comprehensive evaluation of the grant to identify specific compliance requirements for each.
- Q.** Chairman Roth inquired about MKA's largest non-profit client and the approximate cost of the firm's services.
- A.** Mr. Moss reported that they serve several nonprofit organizations with over \$100 million in assets and one with over \$200 million in assets, all of which are Early Learning Coalitions. Generally, audits take between 180 and 200 hours (nonprofit and 2 grants); however, geographical differences have a significant impact on the final/projected cost of service. Taking into account each region's cost of living and compensation rates, Miami-Dade County is substantially more expensive than several counties to the north of Palm Beach, which is why costs are a bit higher.
- Q.** Mr. Bridges followed up the previous discussion by asking if the grants his firm audits are multi-year. He went on to explain the grants that are typically awarded to CareerSource South Florida (CSSF) and the different ways they may be handled year over year.
- A.** Mr. Moss confirmed that they are typically five (5) year period, but annual, similar to the grants issued to CSSF.
- Q.** Chairman Roth questioned Mr. Moss on the annual cost for the three-year contract, including any additional fees that may be applied.



A. If the three-year contract is awarded, Mr. Moss indicated the following rates would apply:

- Net Fee First Year - \$45,000
- Second Year - \$46,000
- Third Year - \$47,000

Rates are all inclusive – no additional fees.

No further questions were presented from the members. Mr. Moss exited the meeting room, and the FEC Council proceeded to evaluate the presentation.

The members engaged in a brief discussion regarding the perceived advantages and drawbacks of the presentation as well as scoring methodology.

Chairman Roth questioned whether the ultimate selection would be based solely on the scores or on the scores and a vote. Mr. Smith stated that the scores and a vote would determine the decision. Mr. Beasley interjected that the previous score is added to the current score to determine the final tally. Mr. Smith corroborated this and explained that the FEC members were notified accordingly prior to the session.

Mr. Bridges requested confirmation that despite having the highest score, an agency may not be selected based on the votes received. Mr. Smith concurred.

Mr. Bridges stated he had not received any clarification from Mr. Moss regarding the grants the firm has experience evaluating. As the Board Chair of the ELC Miami Dade location, Mr. Beasley shared that he is aware that they receive a single funding source. There is typically no carry forward because there is frequently a waiting list. Mr. Beasley also provided some context on the Pasco and Palm Beach locations.

2. Respondent – S. Davis and Associates, P.A.

Ms. Tanya Davis, of S Davis and Associates, P.A., presented to FEC members. The presentation is available for viewing as an attachment to the meeting minutes.

Chairman Roth opened the floor to questions from the members.

Q. Mr. Datorre inquired about flat rating structure listed in the proposal. In addition, Mr. Bridges asked about the methodology employed to come up with the rate.

A. Ms. Davis indicated there might have been an inaccurate understanding of the request. Internally, the firm discussed whether the request was for a budget that would exhibit costs throughout the



duration of the project or if a flat fee was needed. After discussion, the members of the firm were still uncertain and consequently made the business decision to present a fixed rate.

Furthermore, Ms. Davis advised that prior financial statements from the SFWIB and other workforce boards in Florida were evaluated by the firm to determine the rate. To finalize the rate, they considered potential areas of risk to estimate the probable number of hours required for this project. Since an extension was granted, the firm was able to conduct additional research, allowing them to confidently state that they are amenable to a reduction in the initial fee quoted. Mr. Davis added that they are willing to reduce the quoted price by 10 to 15%, bringing the total cost to approximately \$70,000.00.

- Q.** Chairman Roth inquired about the number of hours projected for this project.
- A.** Ms. Davis advised that they have estimated 300-400 hours for the project.
- Q.** Chairman Roth continued this line of questioning by asking how the rate would shift if the project required more or less than projected.
- A.** Ms. Davis advised that the quoted costs are not to be exceeded. The only reason for additional costs is if the project's scope is expanded due to unanticipated extenuating circumstances. Mr. Davis also provided examples of what may constitute "extenuating circumstances" and advised that the firm would then discuss any additional costs with the Executive Director and/or Board prior to moving forward.
- Q.** Mr. Scott sought confirmation from Ms. Davis that the firm would be working on a fixed fee versus an hourly rate.
- A.** Ms. Davis confirmed that the rate is fixed. Mr. Davis explained that if the project's scope changes and additional services beyond those quoted were required, the firm would estimate the cost by multiplying the estimated number of hours by a proposed hourly rate. The company is amenable to negotiation in order to provide existing and potential clients with the finest service within their budgetary constraints. Ms. Davis reminded the Council that, if necessary, the company is more than willing to reduce the initial quoted price.
- Q.** Mr. Bridges inquired about the firms' past monitoring/auditing experience.
- A.** Ms. Davis explained the team has both monitored and audited workforce boards. She also reported that the team participated in the Broward County audit, alongside another department. S. Davis and Associates directly completed the single audit portion of the project as well as the monitoring. Moreover, Ms. Davis clarified that the firm has conducted monitoring throughout the state, included West Palm Beach.



- Q.** Mr. Bridges asked the firm to share their scope of experience with A133 audits.
- A.** Ms. Davis stated that the company has more than 15 years of experience in this field and conducts A133/Uniform Guidance audits for Broward County, the Broward County School Board, the South Florida Regional Planning Council, and a number of municipalities.
- Q.** Ms. Glean-Jones inquired if everyone on the team is local to the South Florida area.
- A.** Ms. Davis confirmed that all members of the team are local.
- Q.** Mr. Roth inquired as to the firm's largest government or nonprofit contractor that may fall within the \$70,000-\$80,000 price range.
- A.** Ms. Davis advised that the Broward County School Board is the largest in government. Minor League baseball is the largest customer outside of government.

No further questions were presented from the members. The S. Davis and Associates team exited the meeting room, and the FEC Council proceeded to evaluate the presentation.

The members engaged in a brief discussion of the perceived pros and cons of the firm under consideration. Concerns exist regarding the firm's auditing experience with nonprofit and government agencies; however, their background in other industries demonstrates that they are fully capable of performing the work. Their location is also an important factor for the group. Chairman Roth expressed concern that no workforce boards or state entities were cited as references.

3. Respondent – BCA Watson Rice Accountants and Advisors

Ms. Carshena Allison, of BCA Watson Rice, presented to FEC members. The presentation is available for viewing as an attachment to the meeting minutes.

Chairman Roth opened the floor to questions from the members.

- Q.** Mr. Datorre inquired about the number of number of hours estimated for the project.
- A.** Mr. Thompkins advised that 780 hours have been budgeted for this project, which includes an IT component.



- Q.** Chairman Roth asked if it were possible for them to parse out how much time was assigned to IT.
- A.** Mr. Sampson indicated that the hours required align with industry standards, which account for 10 to 15 percent of the total project hours (roughly 70 to 100 hours). He advised that the IT audit is risk-based, which entails conducting a high-level risk assessment of the IT infrastructure and environment and basing your hours on the results.
- Q.** Ms. Glean-Jones asked if there an outside organization that partners with BCA to conduct the IT audit.
- A.** Mr. Sampson reported that BCA Watson is able to directly conduct the IT audit. In addition, he mentioned that his colleague is an ethical programmer and that every member of the IT team is a Certified Information System Auditor.
- Q.** Mr. Bridges asked for clarification that the team conducted IT auditing on CareerSource South Florida.
- A.** Mr. Sampson advised that the firm has conducted something similar at CSSF approximately six (6) years ago.
- Q.** Mr. Scott asked if they have conducted audits of other workforce boards throughout the state.
- A.** The firm has not worked with any other workforce boards in Florida.
- Q.** Chairman Roth asked who would be the lead of the project.
- A.** Ms. Carshena Allison, of BCA Watson Rice, will act as lead on the project.
- Q.** Chairman Roth asked who is on the team that works with Mr. Brunson.
- A.** Ms. Allison advised that Ms. Karen Greaves is on the Brunson team. She will help the team become more familiar with the CSSF infrastructure, which will save time.
- Q.** Chairman Roth asked if WatsonRice would be open to negotiation of fees, if selected.
- A.** Ms. Allison confirmed accordingly.

No further questions were presented from the members. The WatsonRice team exited the meeting room, and the FEC team proceeded to evaluate the presentation.



Mr. Bridges believes this company meets all requirements and has the necessary experience to complete the project. Ms. Glean-Jones stated that their partnership with a previous organization that collaborated with CSSF is a significant advantage.

Concerns were raised regarding the IT audit and their ability to accurately evaluate the infrastructure. Mr. Beasley reported that WatsonRice directly conducted the IT evaluation for CSSF a few years ago. This was a routine evaluation of the system before the hacking occurred.

Mr. Beasley reminded the team that during the Finance Committee Meeting, Mr. Perez expressed interest in an IT review; however, we had not budgeted for it this fiscal year. The WatsonRice team has this capability, and the cost of the audit already accounts for it.

RESPONDENT SCORES

Organization: MKA CPAs and Advisors

FEC Member	Scores from 6/15	Final Rating
Bridges, Jeff		93
Datorre, Roberto	71	74
Glean-Jones, Camela	97	96
Roth, Tom	95	95
Scott, Kenneth	95	100
Combined Avg. Score		91.2

Organization: S Davis and Associates, P.A.

FEC Member	Scores from 6/15	Final Rating
Bridges, Jeff		92
Datorre, Roberto	80	70
Glean-Jones, Camela	99	100
Roth, Tom	80	90
Scott, Kenneth	100	100
Combined Avg. Score		90.3



Organization: WatsonRice Accountants and Advisors

FEC Member	Scores from 6/15	Final Rating
Bridges, Jeff		96
Datorre, Roberto	100	100
Glean-Jones, Camela	100	100
Roth, Tom	95	95
Scott, Kenneth	95	100
Combined Avg. Score		97.4

Chairman Roth read back the scores, advised that WatsonRice appears to have scored the highest of all respondents and asked for a motion recommending the winning respondent to the Executive Committee; the Board will subsequently ratify the item during the August 17th meeting.

Motion by Chairman Roth recommends to the Executive Committee the approval to authorize SFWIB Staff to negotiate a contract for external independent auditing services with BCA Watson Rice LLP.

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

There was further discussion around how to final decision was determined. Chairman Roth extended his appreciation to the Council for their participation in this process.

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