



SFWIB FINANCE AND EFFICIENCY COUNCIL

AGENDA ITEM NUMBER: 2A

DATE: June 16, 2016 at 8:00AM

AGENDA ITEM SUBJECT: MEETING MINUTES

February 18, 2016 at 8:00am

Doubletree Miami Mart/Airport Hotel and Exhibition Center –
711 NW 72nd Avenue
Miami, Florida 33126

COMMITTEE MEMBERS IN ATTENDANCE	COMMITTEE MEMBERS NOT IN ATTENDANCE	OTHER ATTENDEES
<ol style="list-style-type: none"> 1. Perez, Andy, <i>Vice-Chairman</i> 2. Datorre, Roberto 3. Davis- Raiford, Lucia 4. Montoya, Rolando 5. Scott, Kenneth 6. Zewadski-Bricker, Edith 	<ol style="list-style-type: none"> 7. Gibson, Charles A, <i>Chairman</i> 8. Adrover, Bernardo 9. Bridges, Jeff 10. Socorro, Ivonne <p>SFW STAFF Alonso, Gustavo Garcia, Christine</p>	<p>Mitchell, Carlana – <i>Miami-Dade County Public Schools (M-DCPS)</i></p> <p>Pchardo, Jorge – <i>Youth Co-Op, Inc.</i></p>

Agenda items are displayed in the order they were discussed.

1. Call to Order and Introductions

Finance and Efficiency Council Vice-Chairman Andy Perez called the meeting to order at 8:30am, asked the members present introduce themselves and noted that a quorum had not been achieved.

2.a. Approval of the Audit Committee Meeting Minutes for December 15, 2015

Deferred

Vice-Chairman Perez asked the members present to state on record of any recommended changes to the minutes.

No recommended changes.

3. Information – December 2015 Financial Report

Vice Chairman Perez introduced the item. Assistant Director Gus Alonso further discussed and reviewed with the Council the Financial Report (unaudited) for the Period of October 2015:

Budget Adjustment:

Revenues:

- No revenue adjustments.

Expenses:

- Adult Services increased by \$1,305,323
- Youth Services increased by \$2,246
- Unallocated funds decreased by (\$1,305,323)
- Training and Support Services decreased by (\$2,246)

Explanation of Significant Variances

1. Training and Support Services – low at 14.6% versus 50%
2. Other Programs and Contracts are 63.1% versus 50%

Mr. Datorre inquired the status of the Florida International University's (FIU's) entrepreneurship program. Mr. Alonso explained that it had never materialized. However, he referred Mr. Datorre to speak with Executive Director Rick Beasley for additional details. Mr. Datorre inquired about funds that were set aside for the program. Mr. Alonso explained that it would be reallocated.

Mr. Perez asked whether Miami-Dade College (MDC) currently has an entrepreneurship program. Dr. Montoya explained that the idea has been set for the implementation of a similar program, of which MDC would also seek partnership with CSSF/SFWIB.

Dr. Montoya commented that theoretically, both revenue and expenses should have been at an achievement level of 50% as of December 2015, but reflected only 31%. He further stated that although the percentage has increased in the second quarter, there is still a gap in December's financials.

He later inquired about any preliminary updates for January 2016. Mr. Alonso responded that he did not have that information readily on hand. However, he explained that in the past, it has always been presumed that the expenditure would potentially increase as the agency approaches the end of the program year. He later briefly explained the process of carryover funds. Dr. Montoya additionally asked whether he foresees an acceleration of expenditures towards the end of the fiscal year. Mr. Alonso responded. Dr. Montoya commented that although the second quarter had improved, the current level of activities did not reflect projected goals. He emphasized the importance of meeting the goals in third quarter.

Vice-Chairman Perez inquired about the amount of clients that were served based on the total number of contracts. Mr. Alonso briefly explained CSSF/SFWIB's major contracts with the Department of Economic Opportunity (DEO) and the Department of Children and Families (DCF). He subsequently advised that RET funds have been fully exhausted as a result of the massive number of refugees arriving in Florida. He later commented that the recent shift to performance based contracts has been an extreme success as cost per placement has positively been reduced.

4. Information – Bank Reconciliation for December 2015

FEC Vice-Chairman Perez introduced the item and Mr. Alonso further discussed.

No further questions or discussions.

5. Information – DEO Information Security Audit

FEC Vice-Chairman Perez introduced the item. Mr. Alonso further introduced SFWIB Assistant Director of Administration Marian Smith, who appeared before the Council and presented.

Dr. Montoya requested an explanation as to the purpose of an Information Security Audit. Ms. Smith explained.

Dr. Montoya verified whether the findings were due to rules and procedures that needed to be in writing as well as the testing of emergency operations. Ms. Smith responded, "Yes."

Ms. Smith explained that more extensive work is required related to emergency operation procedures.

Dr. Montoya inquired about CSSF's network system and IT data center (for the purpose of disaster planning recovery). He asked whether there is a back-up plan. Ms. Smith explained that the network system is backed-up every day by Miami-Dade County Information Technology department. Dr. Montoya also inquired whether this agency's emergency operations manual included a contingency plan for employee's salaries. Ms. Smith explained that CSSF follows the policy and procedures of Miami-Dade County Human Resource's department. Ms. Smith later explained that the auditor's primary concern is to ensure that an emergency operation plan is currently in place where this agency would be able to continue its operation during major incidents/catastrophes.

Dr. Montoya questioned the findings regarding former employees having access to client's personal information. He also questioned whether all employees underwent extensive background screening. Ms. Smith explained that it had been due to the delay in submission of employee's termination/resignation status to Human Resources headquarters. Ms. Smith further stated that a newly implemented procedure is in place requiring a 24 hour maximum turnaround time to notify Human Resource headquarters regarding employee termination or resignation. Dr. Montoya verified that there were no local incidents. Ms. Smith confirmed there were none.

Executive Director Rick Beasley appeared before the Council and clarified into record that the State of Florida, as a result of a recent incident of a former employee that had stolen and sold social security numbers of clients from the Department of Children and Families' system, requested an audit be conducted for all regional workforce boards in order to ensure up to date policies and procedures are in place. Mr. Beasley also explained that DEO wants to implement preventative measures. He furthermore stated there were no local

incidents (in region 23) and the state went through a process of undermining policies and procedures.

Mr. Datorre asked whether this agency is currently hiring. Mr. Beasley responded that the agency has been hiring new staff as a result of a few employees retiring. Mr. Datorre inquired about the time frame in which background screening is conducted. He wanted to further understand which providers are required to follow the requirement of a background screening. He requested an example. Mr. Beasley used Youth Co-Op, Inc. as an example and stated that all employees must comply. Mr. Datorre asked whether the results are turned in to CSSF's headquarter office. Mr. Beasley responded, "Yes." He additionally noted that all internal (headquarter employees must also undergo background screening including new employees).

Mr. Beasley explained the purpose of ensuring that all employees are given a background screening.

Dr. Montoya shared his concern that the procedures require tremendous time and effort from staff. He asked Ms. Smith whether IT is the only unit she oversees. Ms. Smith responded that she oversees other units as well. Dr. Montoya stated the following concern that "budget is sufficiently large and operations are pretty extensive, that probably there's merit for that..." He later asked whether if she feels that she can handle it all. Ms. Smith responded that "we're going to get it done."

Vice-Chairman Perez commented that the audits are good, but could also serve as something bad, as all findings are documented. Nevertheless, he noted that it gives entities a financial accountability. He additionally commented that findings are served as warnings as well. Ms. Smith responded that 99% percent of CSSF's Service Partner employees and headquarter staff have completed background screening. She further noted with the exception of one case that did not have any paperwork. She advised the only potential challenge would be the associated cost of set-up of an emergency disaster back-up location. She however stated that all other projects would not be as challenging.

Mr. Scott inquired about the time frame in which background screening is conducted and the type of information is being checked. He went on to state that his entity conducts background checks on apprentices too. He provided an example. Ms. Smith reiterated the purpose of conducting background screening. She additionally noted this requirement is primarily for the purpose of ensuring that access to social security numbers are protected against fraudulent activities. Ms. Smith further noted that janitorial contractor employees providing services at CSSF's centers must also undergo background screening.

Mr. Datorre asked whether this information is detailed in service provider contracts regarding mandatory background screenings for third party contractors as well. Ms. Smith responded only for janitorial services. Mr. Datorre asked whether service providers must follow the guidelines of CSSF/ SFWIB. Ms. Smith responded that they do. Mr. Datorre requested a copy of the guidelines be provided to the Council at a later date. Mr. Perez emphasized the potential risks of illegal access to social security numbers. Dr. Montoya commented at the fact that we should not condemn candidates with a background that have eventually changed their lives for the better. He explained that the rules require a mandatory background screening, but it is up to the judgement of the Human Resources department to determine whether any action should be taken. He gave several scenarios where a second chance could possibly work.

Dr. Montoya recommended the following questions be factored:

- What was the severity of the crime?
- How long ago the crime took place?
- What type of job is the candidate seeking?
- What are the involved (potential) risk(s)?

Dr. Montoya also noted that in many situations, the decisions should be determined on a case by case basis.

[Vice-Chairman verified quorum; **Quorum had been achieved**]

2.a. Approval of the Audit Committee Meeting Minutes for December 15, 2015

Dr. Montoya moved the approval of December 15, 2016 meeting minutes. Motion seconded by Mr. Roberto Datorre; **Motion Passed Unanimously**

6. Recommendation as to Approval to Accept \$2 million in Miami Dade County Funds for the Summer Youth Employment Program

FEC Vice-Chairman Perez introduced the item and Mr. Alonso further discussed.

Vice-Chairman Perez inquired about the funding period. Mr. Alonso explained that it began July 27th of 2015 and will end September 30, 2016. He additionally asked whether if the allocated funds had been disbursed to CSSF. Mr. Alonso responded that CSSF has not received any funding as of yet. However, a contract had been received. He further explained that CSSF has been using its own funding with the expectancy of getting reimbursed. Dr. Montoya noted that the expenditure for this particular program had been previously approved by the Board.

Mr. Datorre inquired about the location of funds. Both Vice-Chairman Perez and Mr. Alonso clarified that the initial funds are being used from CSSF's reserves and would later be reimbursed by Miami-Dade County's from its general revenue.

Dr. Montoya moved the approval to Accept \$2 million in Miami-Dade County Funds for the Summer Youth Employment Program. Motion seconded by Mr. Kenneth Scott; **Motion Passed Unanimously**

Vice-Chairman Perez inquired about the outcome of the program. Mr. Alonso responded that the program was a great success. Executive Director Rick Beasley later appeared again and provided an update. Mr. Datorre needed clarification as to what took place in the month of June related to the contract awards. Mr. Beasley explained that CSSF had been notified of the award in June. Mr. Beasley explained that \$1 million had been awarded the summer 2015 and \$1 million for this summer (2016). He explained that the remaining funds would be carried over to this year's summer program.

He stated that they've estimated between 1,100 to 1,200 youth participants for this year's program. And he noted that currently, IT staff is working on finalizing an on-line application for registrants. Mr. Datorre asked whether there would be any funding delays. Mr. Beasley responded, "No" then explained that the funds have already been received. He noted that Youth Manager Tomara Graham proactively prepared a plan for his review and this year's program will start on-time.

Vice-Chairman Perez inquired about the on-line application start date. Mr. Beasley responded as early as next week. He announced that letters would be sent to employers. He briefly commented regarding Monroe County's support and he also noted that the City of Miami Gardens has sponsored \$100,000 to have the same program for youth age residents within its jurisdiction. He noted that he hopes other municipalities in Miami-Dade County would also sponsor youth individuals residing within their city limits to participate in this program.

Mr. Perez recommended a social media campaign. Mr. Beasley responded that they are in the process of working on one.

Mr. Beasley announced that CSSF has recently launched a podcast that would provide highlights of this year's activities. Mr. Beasley noted that he'd requested a specific design to market to the youth population and employers.

Ms. Zewadski-Bricker verified the cost per student. Mr. Beasley further explained and noted that \$314,000 would be carried over to this year's summer program. Dr. Montoya requested clarification on the total amount of funds that would be used for this year's program as well as the services. Mr. Beasley clarified and explained that the goal is to close out this year's program in the month of September with over 1,100 youth participants. He additionally reiterated that the online application will be launched soon, as well as the podcast.

7. Recommendation as to Approval to Negotiate an Agreement with Crowe Horwath, LP for the Performance of IT Penetration Audit Services

Vice-Chairman Perez introduced the item and Mr. Alonso further presented and noted the responses from the following two firms:

- Crowe Horwath, LLP -- \$36,000.00
- BCA Watson Rice, LLP -- \$88,100.00

Mr. Alonso further requested the Finance and Efficiency Council's approval to negotiate a contract with Crowe Horwath, LLP.

Vice-Chairman Perez asked whether if the services are the same. Mr. Alonso responded, "Substantially similar." He further stated that both firms are about 90% the same. He further explained the differences.

Dr. Montoya asked whether staff would be able to negotiate the expenditure and service fees.

Vice-Chairman Perez verified whether BCA Watson is CSSF's current auditor. Mr. Alonso responded, "Yes." Vice –Chairman Perez further commented that he likes the fact CSSF would potentially contract with two separate firms. Dr. Montoya also shared his comment regarding differences in fees.

Mr. Datorre inquired about the status of a previous respondent that had an issue with Miami-Dade County's addendum (clause). Mr. Alonso explained. Mr. Datorre suggested that the addendum (clause) be included in the RFQ so that respondents are aware of the conditions.

Mr. Perez recommended staff respond to the Office of Inspector General's (OIG) audit prior to binding a contract with the new firm, in order to ensure that CSSF's protocols aligns with the Protocols set by the OIG.

Mr. Roberto Datorre moved the approval to authorize staff to negotiate an agreement with Crowe Horwath, LLP for Information Technology (IT) Penetration auditing services. Motion seconded by Dr. Rolando Montoya; **Motion Passed Unanimously**

There being no further business to come before the Council, the meeting adjourned at 9:25am.