



SOUTH FLORIDA WORKFORCE INVESTMENT BOARD

FINANCE AND EFFICIENCY

COUNCIL MEETING

THURSDAY, December 15, 2016

8:00 A.M.

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

AGENDA

1. Call to Order and Introductions
2. Approval of Finance and Efficiency Council Meeting Minutes
 - A. October 20, 2016
3. Information - Financial Report - October 2016
4. Information - Bank Reconciliation - November 2016
5. Information - Fiscal and Programmatic Monitoring Activity Reports
6. Recommendation as to Approval to Accept the Fiscal Year 2015-16 Audit Reports
7. Recommendation as to Approval to Negotiate an Agreement with BCA Watson Rice, LLP for the Performance of IT Penetration Audit Services

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"Members of the public shall be given a reasonable opportunity to be heard on a specific agenda item, but must register with the agenda clerk prior to being heard."



SFWIB FINANCE AND EFFICIENCY COUNCIL

AGENDA ITEM NUMBER: 2A

DATE: December 15, 2016 at 8:00AM

AGENDA ITEM SUBJECT: MEETING MINUTES

October 20, 2016 at 8:00am
 Doubletree by Hilton Miami Airport Hotel &
 Exhibition Center
 711 NW 72nd Avenue
 Miami, FL 33126

COMMITTEE MEMBERS IN ATTENDANCE	COMMITTEE MEMBERS NOT IN ATTENDANCE	OTHER ATTENDEES
<ol style="list-style-type: none"> 1. Gibson, Charles A, <i>Chairman</i> 2. Perez, Andy, <i>Vice-Chairman</i> 3. Bridges, Jeff 4. Datorre, Roberto 5. Scott, Kenneth 	<ol style="list-style-type: none"> 6. Adrover, Bernardo 7. Davis-Raiford, Lucia <p><i>Former Member:</i> Montoya, Rolando</p> <p>SFW STAFF Alonso, Gustavo Garcia, Christine</p>	<p>Thompkins, Carshena – BCA Watson Rice, LLP</p>

Agenda items are displayed in the order they were discussed.

1. Call to Order and Introductions

Finance & Efficiency Council (FEC) Chairman Gibson called the meeting to order at 8:22am. However, he requested FEC Vice-Chairman Andy Perez lead today’s meeting. Vice-Chairman Perez welcomed all those present introduce themselves and noted that a quorum had been achieved.

2. Approval of the Finance and Efficiency Council Meeting Minutes of June 23, 2016 and August 18, 2016

Moved by Dr. Montoya and seconded by Mr. Datorre.

Passed by consensus

3. Information – Financial Report – August 2016

Vice-Chairman Perez introduced the item and SFWIB Assistant Director of Finance Gus Alonso presented the following:

Budget Adjustment:

Expenses:

- Youth Services decreased by (\$255,946)
- Set Asides decreased by (\$562,760)
- Training and Support Services increased by \$225,946
- Other Programs & Contracts increased by \$562,760

Explanation of Significant Variances

1. Training and Support Services - 5.2% versus 16.7%
2. Other Program & Contracts – low at 1.6% versus 16.7%

Vice Chairmam Perez inquired about the September's report.

Dr. Montoya commented on educational programs.

There was lengthy discussion regarding special projects.

- Chairman Gibson inquired about the process
- Dr. Montoya commented on invoices

Executive Director Rick Beasley appeared before the Council and provided details.

4. Information – Bank Reconciliation – August 2016

SFWIB Vice-Chairman Bridges introduced the item and Mr. Alonso presented.

No further questions or discussion.

5. Information – Fiscal Audit Update

Vic-Chairman Perez introduced the item then introduced Ronald Thompkins of BCA Watson Rice, LLP who appeared before the Council and presented.

Vice-Chairman Perez asked if an IT penetration testing is included in the contract. Mr. Thompkins responded that they were not hired to provide such service.

There was continued discussion.

Vice-Chairman Perez strongly recommended that the testing be done.

There was continued discussion regarding an RFP for this process to take place. Vice-Chairman Perez inquired about the process for publishing an RFP. Mr. Alonso explained.

Dr. Montoya moved the approval of immediate negotiation with 2nd ranked entity for the penetration testing RFP. Motion seconded by Mr. Kenneth Scott

The members unanimously recommended immediate negotiation with the 2nd ranked entity for the penetration testing RFP that had been previously conducted.

Mr. Scott briefly commented on the cyber security.

No further questions or discussions.

- 6. Information – Fiscal and Programmatic Monitoring Activity Reports**
Vice-Chairman Perez introduced the item and Mr. Alonso further presented.

Dr. Montoya commented on the disallowed cost.

- 7. Recommendation as to Approval to Allocate Funds to Transition, Inc. for Supportive Miami Dade Projects**
Vice-Chairman Perez introduced the item and Mr. Alonso further presented.

Dr. Montoya abstained from voting.

Mr. Datorre moved the approval to allocate funds to Transition, Inc. Motion seconded by SFWIB Vice-Chairman Jeff Bridges; Further Discussion(s):

Mr. Scott inquired about the term “barriers.” Mr. Alonso further explained. Mr. Scott briefly provided his comments. SFWIB Vice-Chairman briefly explained the terms “barriers”.

(One opposition; FEC Vice Chairman Andy Perez)

Staff questioned whether there was quorum.

The consensus of the members present moved the item.

- 8. Recommendation as to Approval to City of Miami for the Employ Miami Dade Project**

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

SFWIB Vice-Chairman Bridges inquired about the population and Mr. Alonso explained.

Dr. Rolando Montoya moved the approval. Motion seconded by Vice-Chairman Bridges; Further Discussion (s):

There was continued discussion.

The consensus of the members present moved the item.

- 9. Recommendation as to Approval to Accept Welfare Transition Program Funds**
Vice-Chairman Perez introduced the item and Mr. Alonso further presented.
Mr. Scott shared his comments.

The consensus of the members present moved the item.

There being no further business to come before the Council, the meeting adjourned at 9:11am.



SFWIB FINANCE EFFICIENCY COUNCIL

DATE: 12/15/2016

AGENDA ITEM NUMBER: 3

AGENDA ITEM SUBJECT: FINANCIAL REPORT

AGENDA ITEM TYPE: **INFORMATIONAL**

RECOMMENDATION: N/A

STRATEGIC GOAL: **HIGH ROI THROUGH CONTINUOUS IMPROVEMENT**

STRATEGIC PROJECT: **Strengthen workforce system accountability**

BACKGROUND:

The Finance and Efficiency Council's primary goal is to work to ensure that the Board is in good financial health, its assets are protected, and its resources are used appropriately and accounted for sufficiently. Accordingly, the attached un-audited financial report for the month of October 2016 is being presented for review by the Board members.

FUNDING: N/A

PERFORMANCE: N/A

ATTACHMENT



SFWIB FINANCE EFFICIENCY COUNCIL

DATE: 12/15/2016

AGENDA ITEM NUMBER: 4

AGENDA ITEM SUBJECT: BANK RECONCILIATION

AGENDA ITEM TYPE: **INFORMATIONAL**

RECOMMENDATION: N/A

STRATEGIC GOAL: **HIGH ROI THROUGH CONTINUOUS IMPROVEMENT**

STRATEGIC PROJECT: **Strengthen workforce system accountability**

BACKGROUND:

The Finance and Efficiency Council's primary goal is to work to ensure that the Board is in good financial health, its assets are protected, and its resources are used appropriately and accounted for sufficiently.

Based on the Internal Control Procedures recommended by the Department of Economic Opportunity of the State of Florida, the Finance Committee, at its April 2, 2009 meeting, requested a monthly cash reconciliation report be provided at every committee meeting. Accordingly, the attached cash reconciliation for the month of October 2016 and November 2016 is being presented for review by the Council members.

FUNDING: N/A

PERFORMANCE: N/A

ATTACHMENT

**South Florida Workforce Investment Board
Reconcile Cash Accounts**

**Reconciliation Date: 10/31/16
Cash Account: 1102 Cash -General Operating Account**

	<u>Amount (\$)</u>	<u>Number of Transactions</u>
Beginning Book Balance	3,384,500.84	
Less Checks/Vouchers Drawn	(3,560,233.01)	391
Plus Deposits		
Checks Voided	4,166.40	2
Deposits	2,190,190.75	15
Plus Other Items	(85.63)	1
Unreconciled Items:		
Ending Book Balance	2,018,539.35	
Bank Balance	3,274,712.28	
Less Checks/Vouchers Outstanding	(1,256,172.93)	138
Other Items:		N/A
Plus Deposits In Transit		
Transfer to operating		N/A
Unreconciled Items:		N/A
Reconciled Bank Balance	2,018,539.35	
Unreconciled difference	0.00	

Prepared by: Odell J. Ford Jr. 11/4/16
Odell J. Ford Jr.

Approved by: [Signature] 11/4/16

**South Florida Workforce Investment Board
Reconcile Cash Accounts**

**Reconciliation Date: 11/30/16
Cash Account: 1102 Cash -General Operating Account**

	<u>Amount (\$)</u>	<u>Number of Transactions</u>
Beginning Book Balance	2,018,539.35	
Less Checks/Vouchers Drawn	(2,361,601.86)	251
Plus Deposits		
Checks Voided	1,725.00	1
Deposits	3,867,477.95	30
Plus Other Items	(51.09)	3
Unreconciled Items:		
Ending Book Balance	3,526,089.35	
Bank Balance	4,091,389.83	
Less Checks/Vouchers Outstanding	(565,300.48)	43
Other Items:		N/A
Plus Deposits In Transit		
Transfer to operating		N/A
Unreconciled Items:		N/A
Reconciled Bank Balance	3,526,089.35	
Unreconciled difference	0.00	

Prepared by: Odell J. Ford Jr. 12/6/16
Odell J. Ford Jr.

Approved by: [Signature] 12-6-16



SFWIB FINANCE EFFICIENCY COUNCIL

DATE: 12/15/2016

AGENDA ITEM NUMBER: 5

AGENDA ITEM SUBJECT: ACTIVITY REPORT -- INTERNAL FISCAL MONITORING RESULTS

AGENDA ITEM TYPE: **INFORMATIONAL**

RECOMMENDATION: N/A

STRATEGIC GOAL: **STRONG WORKFORCE SYSTEM LEADERSHIP**

STRATEGIC PROJECT: **Strengthen workforce system accountability**

BACKGROUND:

At the request of the SFWIB Audit Committee, SFWIB staff prepared the attached Internal Fiscal Monitoring Activity Reports for Program Year 2016-2017 for the period of October 1, 2016 through November 28, 2016. The report is a summary of the Service Providers monitored, and the findings resulting from the Internal Fiscal Monitoring activities.

FUNDING: N/A

PERFORMANCE: N/A

ATTACHMENT

CareerSource South Florida (CSSF) Board of Directors Meeting December 15, 2016
Office of Continuous Improvement (OCI) Fiscal Unit
Fiscal Monitoring Activity Report from October 1 to November 28, 2016
Program Year 16-17

Service Provider	Programs	Contracts Amount	Disallowed Costs	Deficiencies	Repeat Findings	Plan of Corrective Actions (POCA)
FISCAL MONITORING						
Miami-Dade College Future Bankers Program	Future Bankers Training Program	\$ 50,000	None	Monthly program activity reports were not submitted to CSSF.	No	POCA received, pending review.
Report issued 10/18/16	Program Years 14-15 and 15-16	\$ 50,000	None	Bank reconciliations for sampled months for 2015, were not dated by the preparer or reviewer(s); consequently, OCI could not determine if they were completed in a timely manner.	No	
				Supporting documentation for reconciling items appearing in sampled months bank reconciliations, were not provided to OCI for review as requested.	No	
				Bank reconciliations for sampled months for 2016 were not provided to OCI as requested.	No	
Miami Dade College Culinary & Hospitality Program	Culinary Skills and Hospitality Certification Training Programs	\$ 60,000	None	Bank reconciliations for sampled months for 2016 were not dated by the preparer or reviewer(s); consequently, OCI could not determine if they were completed in a timely manner.	No	POCA received, pending review.
Report issued 10/24/16	Program Year 14-15	\$ 90,000	None	Supporting documentation for reconciling items appearing in sampled bank reconciliations were not provided to OCI for review as requested.	No	
OFFICE OF MANAGEMENT AND BUDGET (OMB) TITLE 2, US CODE OF FEDERAL REGULATIONS (CFR), PART 200 REVIEWED						
Final Management Decision Letters were issued for: None						
PLAN OF CORRECTIVE ACTIONS (POCA) REVIEWED						
Plan of Corrective Actions (POCAs) were reviewed for: Ser Jobs for Progress, Inc. (10/18/16), Community Coalition, Inc. (10/26/16).						



SFWIB FINANCE EFFICIENCY COUNCIL

DATE: 12/15/2016

AGENDA ITEM NUMBER: 6

AGENDA ITEM SUBJECT: 2015-16 FISCAL AUDIT

AGENDA ITEM TYPE: **APPROVAL**

RECOMMENDATION: SFWIB staff recommends that the Finance and Efficiency Council to recommend to the Board the Approval of the Fiscal Year 2015-16 Agency-wide Audit, and the authorization SFWIB Staff to release a Request for Proposal for Auditing services for Fiscal Year 2017-18.

STRATEGIC GOAL: **STRONG WORKFORCE SYSTEM LEADERSHIP**

STRATEGIC PROJECT: **National leader in an ROI-focused enterprise**

BACKGROUND:

On December 17, 2015, the South Florida Workforce Investment Board (SFWIB) approved the negotiation of a contract with TCBA Watson Rice, LLP to perform an external independent audit of the agency's financial records and reports for Fiscal Year 2015-16.

The SFWIB Fiscal Year 2015-2016 audit was recently completed by TCBA Watson Rice, LLP. The audit was performed pursuant to generally accepted auditing standards, government auditing standards, and the Rules of Florida's Auditor General. It included a review of internal controls as well as compliance with applicable laws and regulations.

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

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

According to State guidelines, audit firms may be retained to perform the annual fiscal audit for up to five consecutive years. During the past five years BCA Watson Rice LLP conducted the audit, therefore SFWIB staff recommends that a new firm be selected via a competitive bid process to perform the fiscal audit for the Fiscal Year 2017-18.

FUNDING: N/A

PERFORMANCE: N/A

ATTACHMENT



AUDIT PRESENTATION
TO THE
BOARD OF DIRECTORS
OF THE
**SOUTH FLORIDA WORKFORCE
INVESTMENT BOARD**
D/B/A CAREERSOURCE SOUTH FLORIDA

FOR THE
FISCAL YEAR ENDED
JUNE 30, 2016



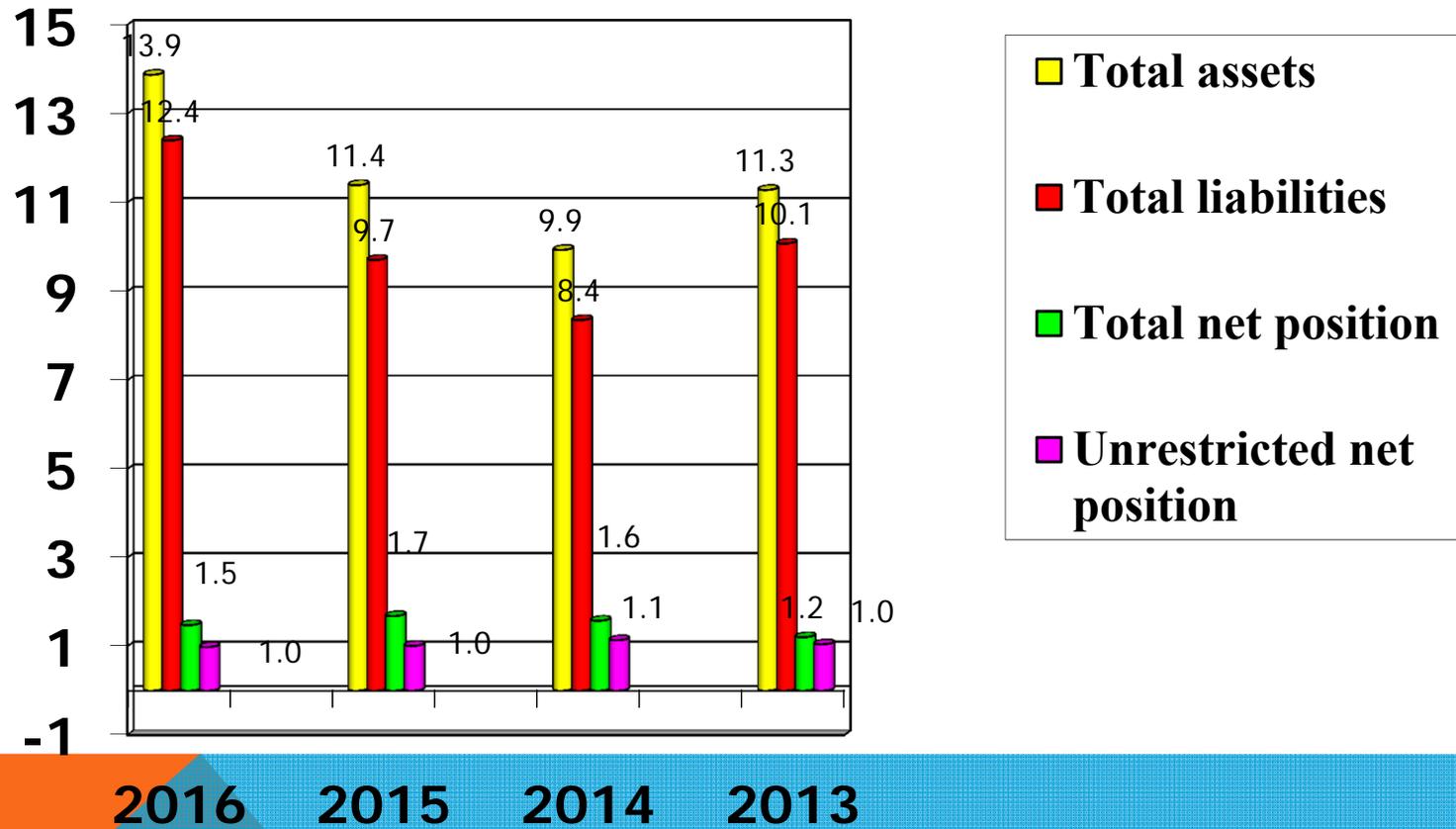
ANNUAL FINANCIAL REPORT

- Independent Auditor's Report
- Management's Discussion & Analysis
- Basic Financials
- Notes to Financials
- Required Reports Under OMB UNIFORM GUIDANCE
- Reconciliation to OSMIS

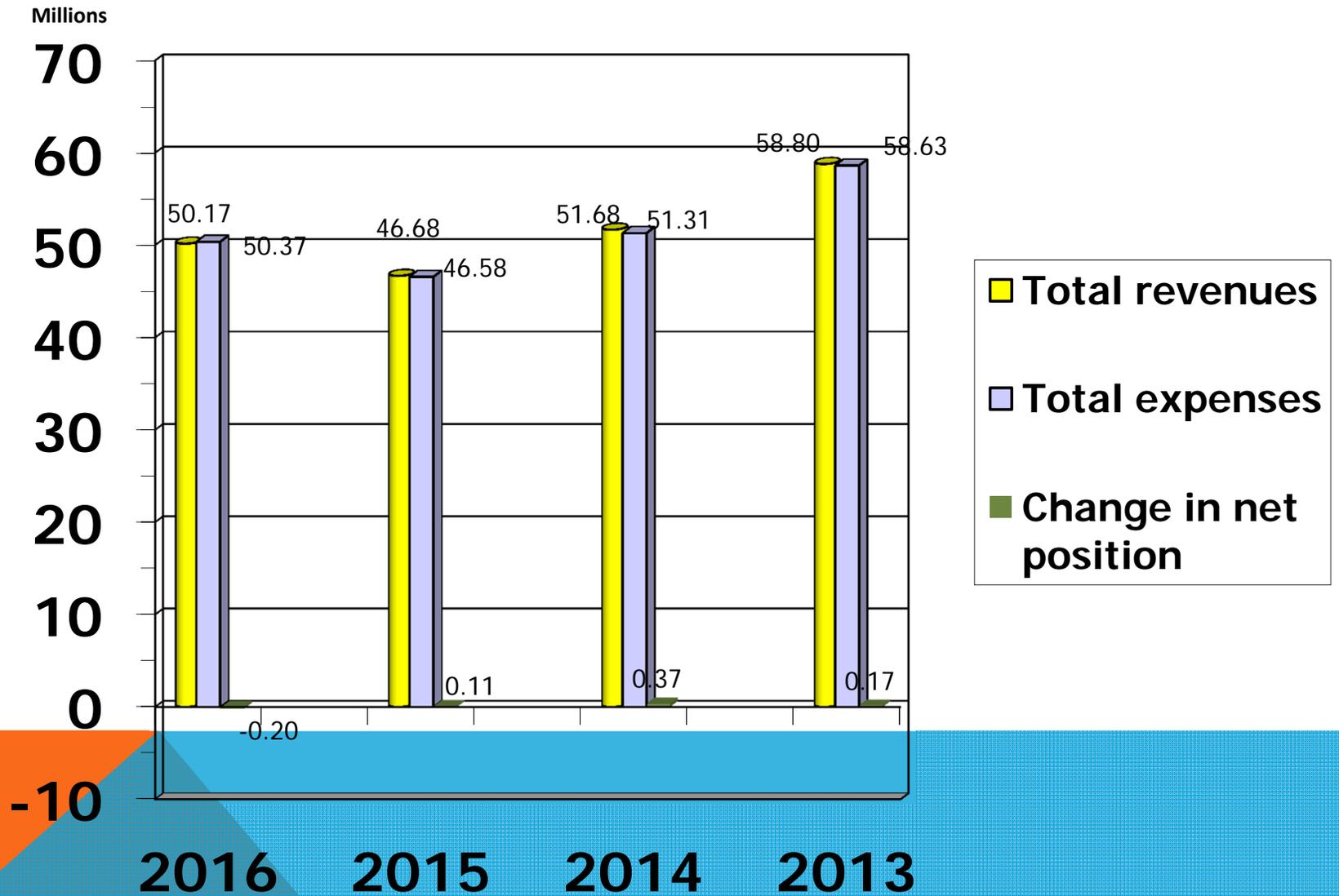


FINANCIAL HIGHLIGHTS – NET POSITION

Millions



FINANCIAL HIGHLIGHTS – REVENUES & EXPENSES



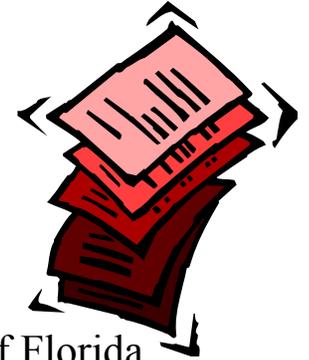
SINGLE AUDIT REPORT

- Schedule of Expenditures Federal Awards
- Report on internal control over financial reporting in accordance with *Government Auditing Standards*
- Report on compliance and internal control over compliance applicable to each major federal program
- Summary of Audit Results
- Schedule of Findings and Questioned Costs

SUMMARY STATUS OF FINDINGS

- No current year findings
- No old unresolved comments
- No old partially resolved comments
- No old resolved comments
- No Findings noted in the current year or prior year audit

MANAGEMENT LETTER



- Management letter in accordance with the Rules of the Auditor General of the State of Florida

No items to be reported in management letter, as such, this letter has been excluded

MANAGEMENT ADVISORY COMMENTS

Current Year

- Penetration Testing

COMMUNICATION TO GOVERNING BOARD (AS OVERSEERS OF AUDIT)

- Our responsibilities in relation to the Financial Statements
- Planned scope & timing
- Compliance with all ethical requirements regarding independence
- Qualitative aspects of significant accounting practices
- Identified or suspected fraud
- Significant difficulties encountered during the audit
- Unrecorded and corrected misstatements
- Disagreements with management
- Representations from management
- Management consultation with other auditors
- Other significant matters, findings or issues

CONCLUSION

Questions & answers





SFWIB FINANCE AND EFFICIENCY COUNCIL

DATE: 12/15/2016

AGENDA ITEM NUMBER: 7

AGENDA ITEM SUBJECT: IT PENETRATION AUDIT SERVICE

AGENDA ITEM TYPE: **APPROVAL**

RECOMMENDATION: SFWIB staff recommends to the Finance and Efficiency Council to recommend to the Board the approval to authorize SFWIB staff to contract with BCA Watson Rice LLP for Information Technology (IT) Penetration Audit Services.

STRATEGIC GOAL: **STRONG, TIMELY REPORTING STANDARDS**

STRATEGIC PROJECT: **Set Standards on Performance Measures Reporting**

BACKGROUND:

On October 15, 2015, the Board approved an allocation of \$50,000 for the procurement of IT Penetration Testing Audit Services. Subsequently, SFWIB staff released a Request for Procurement to a total of 22 accounting, consulting, and technology service firms for the performance of IT Penetration Audit Services.

Two responses were received:

1. Crowe Horwath, LLP -- \$36,000
2. BCA Watson Rice, LLP -- \$88,100

After extensive negotiations with the accounting firm of Crowe Horwath LLP, the firm decided not to proceed with the project due to their reluctance to accept the contractual terms of the SFWIB Professional Service Agreement. At the request of the Board, SFWIB staff proceeded to negotiate an agreement with the next lowest responsive bidder, BCA Watson Rice, LLP. These negotiations resulted in BCA Watson Rice lowering their initial bid and submitting a revised proposal in the amount of \$56,050.

SFWIB staff is recommending to the Finance and Efficiency Council to recommend to the Board to authorize staff to contract with BCA Watson Rice, LLP, in an amount not to exceed \$56,050, to perform IT Penetration Audit Services.

FUNDING: All Funding Streams

PERFORMANCE: N/A

NO ATTACHMENT