



## Audit Committee Meeting

CareerSource Central Florida  
 390 N. Orange Ave., Suite 700, Orlando, FL 32801  
 Tuesday, November 28, 2017 / 2:30 p.m. – 4:00 p.m.

**Conference Call-in phone number: (866) 576-7975 / Participant Access Code: 299848**

***Strategic Goals developed by the Board:***

- *CareerSource Central Florida will become business focused in all efforts*
- *CareerSource Central Florida will identify ways to measure progress and Return On Investment (ROI)*
- *CareerSource Central Florida will become the workforce intelligence organization for workforce development in Central Florida*

Agenda Item	TOPIC	Action Item	Info Item	Presenter
1	Welcome			Eric Ushkowitz
2	Roll Call / Establishment of Quorum			Kaz Kasal
3	Public Comment			Eric Ushkowitz
4	Approval of Minutes A. 10/9/17 Joint Meeting of Audit & Finance Committee <i>(Finance Committee already approved at their 11/16/17 meeting)</i>	X		Eric Ushkowitz
5	Information/Discussion/Action Items A. Review Audit Committee Charter B. Presentation from Grau & Associates 1) Acceptance of 2 CFR 200 Audit Report	X  X		Eric Ushkowitz Grau & Associates
6	Other Business			
7	Adjournment			Eric Ushkowitz

**Upcoming Meetings:**

- Board Meeting/Board Information Session : 9:00 am to 12:00 pm, Thursday, 12/14/17 / Lynx Office, 455 N. Garland Ave., Orlando, FL 32801

**DRAFT**  
**Joint Meeting of the Audit and Finance Committees**

**CareerSource Central Florida Office**  
**390 N Orange Ave., Suite 700**  
**Orlando, FL 32801**

**Monday, October 9, 2017**  
**2:00 p.m.**

**MINUTES**

**MEMBERS PRESENT:** Leland Madsen, Margaret McGarrity, Kristy Mullane, John Pittman, Olga Rabel Joseph Sarnovsky, Eric Ushkowitz and Mark Wylie

**MEMBERS ABSENT:** Edward Bass, Glen Casel, Melanie Cornell, Nicole Guillet, and Chuck Todd

**STAFF PRESENT:** Pam Nabors, Mimi Coenen, Leo Alvarez, Ann Beecham and Kaz Kasal

**GUESTS PRESENT:** David Caplivski / Grau & Associates; Denise Hall / Florida Department of Corrections

Agenda Item	Topic	Action Item / Follow Up Item
<b>Business Matters of the Audit Committee</b>		
1	<b>Welcome</b> Mr. Ushkowitz, Audit Committee Member Chair, called the meeting to order at 2:03 pm and welcomed those in attendance.	
2	<b>Roll Call / Establishment of Quorum</b> Ms. Kasal, CSCF Executive Coordinator, reported that there was a quorum present.	
3	<b>Public Comment</b> None Offered.	
4	<b>Approval of Minutes</b> 2/7/17 Joint Meeting of the Audit and Finance Committee Meeting.	<b>Ms. McGarrity made a motion to approve the minutes from the 2/7/17 Joint Meeting of Audit and Finance Committees. Mr. Madsen seconded; motion passed.</b>
5	<b>Information/Discussion/Action Items</b>	
	<u>Review of Audit Committee Charter</u> Mr. Alvarez, Chief Financial Officer, referred to the Audit Committee Charter (attachment) and stated that each committee reviews their respective charters on an annual basis, at the beginning of each fiscal year. The Committee concurred to defer review of Charter, pending any suggestions from CSCF's auditor, Grau & Associates. Mr. Alvarez stated he will coordinate review of Charter with Grau & Associates and provide their feedback at the next meeting.	<i>Mr. Alvarez to have Grau &amp; Associates review Audit Committee Charter and provide any suggestions as part of their exit interview. Mr. Alvarez to bring forward their suggestions at the next Audit Committee.</i>

	<p><u>Fiscal Year 2016-2017 Audit Planning</u> Mr. Alvarez introduced Mr. David Caplivski with Grau &amp; Associates who will be providing an overview on audit planning FY 16-17. Mr. Alvarez stated that Grau &amp; Associates is CSCF's newly procured independent auditor, as CSCF's former auditor Cherry Bekaert had completed its 5<sup>th</sup> year of audit engagement last year and the Department of Economic Opportunity requires contracts with audit firms have a term no longer than five years.</p> <p>Mr. Caplivski greeted the attendees and provided a PowerPoint presentation (attachment) on their audit plan process for CSCF's year ended 16-17. Mr. Caplivski reviewed the conduct of the audit, status and timing, and interim results. Mr. Caplivski stated they are done with the interim process (with no findings) and will be doing fieldwork this week. They expect to have a draft report for the Board by 10/31/17.</p> <p>Mr. Alvarez stated that he will forward the draft report to the Audit committee before finalizing. Currently, Audit Committee is scheduled to meet on 2/15/18; however, staff will plan to move this meeting a few months earlier. Ms. Kasal will send out a survey to poll for dates for the Audit Committee to meet end of November and early December 2017 timeframe.</p> <p><u>Results of FY 2016-17 DEO Monitoring</u> Mr. Alvarez referred to DEO Monitoring Report for FY 16-17 (attachment) stating CSCF received a clean audit with zero findings and no issues of non-compliance or observations. DEO had one minor comment for technical assistance in the category of contracting and for CSCF to make sure to include the required provisions in all contracts, regardless of contract size.</p>	<p><i>Mr. Alvarez to forward draft audit report to Audit Committee.</i></p>
6	<p><b>Other Business</b> <u>Determine Audit Committee Meeting Date</u> As the draft audit report will be ready by 10/31/17, the Audit Committee concurred to move the next meeting to end of November or early December, prior to the 12/14/17 Board meeting</p>	<p><i>Staff to send out a survey to the Committee to poll for dates for the next Audit Committee meeting.</i></p>
7	<p><b>Adjournment</b> There being no other business, the Audit Committee meeting was adjourned at 2:25 p.m.</p>	

Agenda Item	Topic	Action Item / Follow Up Item
<b>Business Matters of the Finance Committee</b>		
1	<b>Welcome</b> Dr. Sarnovsky called the meeting to order at 2:25 pm and welcomed those in attendance.	
2	<b>Roll Call / Establishment of Quorum</b> Ms. Kasal reported that there was no quorum present.	
3	<b>Public Comment</b> None Offered.	
4	<b>Approval of Minutes</b> As there was not a quorum present, the Committee concurred to defer the approval of the 6/12/17 Finance Committee meeting minutes to the next meeting.	
5	<b>Information/Discussion/Action Items</b>	
	<p><u>Review of the Finance Committee Charter</u>            Mr. Alvarez referred to the Finance Committee Charter (attachment) and stated, as mentioned with the Audit Committee, that each committee reviews their respective charters on an annual basis, at the beginning of each fiscal year. The Committee concurred to have staff make the following revisions to the Charter:</p> <ul style="list-style-type: none"> <li>• Under “Roles and Responsibilities” – revise 2<sup>nd</sup> bullet by adding “and any interim” so it reads: “Review the annual, and any interim, financial statements of the Corporation, making recommendations for action to the Board as needed.”</li> <li>• Under “Roles and Responsibilities” – delete 3<sup>rd</sup> bullet as it reiterates the revised 2<sup>nd</sup> bullet.</li> </ul> <p><u>Budget to Actual Report for FY 2016-17</u>            Mr. Alvarez referenced the report entitled “Budget vs. Actual Report – as of 6/30/17” (attachment) and reviewed each line item. Mr. Alvarez stated that overall required funds were spent in FY 16-17 with \$2.3M in WIOA funds (which are 2 year funds) carried forward to be spent in FY 17-18 for obligations in training and youth activities.</p> <p><u>August 2017 Budget vs. Actual Report</u>            Mr. Alvarez referenced the report entitled “Budget vs. Actual Report – as of 8/31/17” (attachment) and stated that the larger expenditures are on target. Program services are underspent and this is primarily due to focusing funds towards short-term training vs. long term training. Based on data, individuals receiving short-term training, gain the skills needed to get into jobs quicker, so</p>	<p><i>Staff to revise Finance Committee Charter per comments of the Finance Committee and to bring the “red-lined” Charter to the next Finance Committee for their approval.</i></p>

	<p>more individuals are being placed into jobs with shorter turnaround times. Also CSCF is providing more training towards the high growth industry sectors. This has resulted in more than half of the training programs getting cut due to: 1) the training was not in one of the high growth targeted industry sectors and/or 2) training program did not meet CSCF's required performance thresholds in completions and placements. CSCF has also been more effectively coordinating and leveraging resources/funds with individuals who have PELL grants.</p> <p>Dr. Sarnovsky asked Mr. Alvarez to add to the Budget vs. Actual report the budget activities from the same time in the previous year. This way the Committee can compare budget situation from this year to last year during the same time.</p> <p><u>5 Year Facilities Plan</u></p> <p>Mr. Alvarez referenced the "CSCF Facilities" memo (attachment) and reviewed the current lease details. Mr. Alvarez stated that CSCF has just completed its five year lease facilities plan and has realized an annual cost savings of nearly 25% in lease costs. Mr. Alvarez also reviewed strategies for a new five year facilities plan. Staff is currently focusing on the Lake County office as it is next to expire on 7/31/18. Based on space needs and efforts to better enhance overall service delivery strategy, staff recommend looking at other options rather than renewing Lake County office's current lease. One option available is sharing space with Lake Sumter State College (LSSC). LSSC is offering CSCF a large portion of space at their Foundation building, adjacent to its main campus on Highway 441. This partnership would create greater synergy of training and job placement. CSCF is further reviewing this space and looking to attain an estimate on build out costs.</p> <p>Ms. Nabors stated that CSCF is internally hosting a focus group with customers to attain their feedback on how they would like to receive CSCF services and what CSCF space should feel like. Dr. Sarnovsky added that attaining feedback from focus groups at each of CSCF's locations would help to track commonalities.</p>	<p><i>Mr. Alvarez to add to the Budget vs. Actual report the budget activities from the same time in previous year.</i></p> <p><i>At next meeting, staff will provide an update on the Lake County options to include their further research of the LSSC option and also review West Orange and Osceola offices as these leases are next in line to expire.</i></p>
6	<p><b>Other Business</b> None offered.</p>	
7	<p><b>Adjournment</b> There being no other business, the meeting was adjourned at 3:02 p.m.</p>	

Respectfully submitted,

Kaz Kasal  
Executive Coordinator

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## CareerSource Central Florida Audit Committee Charter

### 1. Purpose:

- The primary role of Audit Committee ("Committee") is to approve the annual audit, evaluate audit findings, recommendations, and planned management improvements in light of the risk assessment reported by the external auditors. The Audit Committee provides a level of oversight by the local chief elected officials for the Central Florida Workforce Investment Consortium.

### 2. Authority:

The Board authorizes the Committee to:

- Perform activities within the scope of its charter
- Engage outside consultants and other advisors as it deems necessary with approval of the Board or the President
- Have unrestricted access to management and employees of the Corporation, as well as to all financial records.

### 3. Organizational Membership:

- The local chief elected officials of the Central Florida Workforce Investment Consortium will each designate a member of the Audit Committee to represent their county.
- The Committee will consist of at least five members.
- Members will serve on the Committee until their resignation or replacement by the local elected official.

### 4. Meetings:

- A majority of the members of the Committee will constitute a quorum for the transaction of business.
- Meetings shall be held not less than two times per year.
- The Committee shall maintain written minutes of its meetings.

### 5. Roles and Responsibilities:

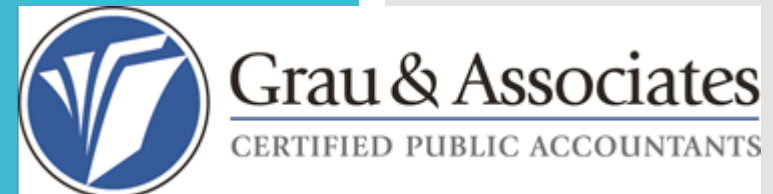
- Overseeing the annual audit(s) of the Corporation's programs required under applicable laws, regulations or directives (including OMB Circular A-133), including selection of the auditor and approval of annual audit plans.
- Providing oversight of the Corporation through review of monitoring reports and audits of the Corporation.
- Making recommendations to the Board of Directors on the selection of an independent auditor and regarding such auditor's compensation and terms of engagement.

- Receiving and reviewing the annual audit reports from the independent auditor.
  - Reviewing and approving the Corporation's responses to any adverse findings regarding the financial affairs of the Corporation, including, but not limited to, adverse monitoring reports, financial audits, management decision letters, Office of Inspector General's (OIG) investigative reports and final determination letters.
  - Reviewing, in consultation with the independent auditor and management, the Corporation's financial statements.
  - Reviewing and evaluating the adequacy of internal accounting controls and practices and making recommendations for revisions and additions as necessary or appropriate.
  - Reviewing and evaluating the Corporation's ethics and conflict-of-interest policies and procedures and, whenever the Chair of the Board or the committee deems appropriate, investigating any alleged violations of such policies and procedures.
6. Charter Review:
- Review the Committee Charter at least once a year and discuss any required changes with the Board.
  - Ensure that the charter is approved or reapproved by the Board after each update.



# CareerSource Central Florida Audit Wrap Up Fiscal Year End 6/30/2017

Racquel McIntosh, CPA  
Partner



# Agenda

- Role of External Auditor
- Opinion on Financial Statements and Statement of Expenditures of Federal Awards (SEFA)
- Financial Statements
- Compliance Reports
- Questions
- Audit Committee Charter Comments

# Role of the External Auditor

- Performs Single Audit
  - Financial Statement
  - Compliance
- Performs audit under Government Auditing Standards and Uniform Guidance
- Issues an opinion on the following;
  - financial statements and the schedule of expenditures of federal awards (SEFA) in relation to the financial statements
  - compliance of each major program



# Role of the External Auditor

- Does not issue an opinion on;
  - Effectiveness of internal controls (financial reporting and compliance)

# Opinion

- Financial Statements
  - Unmodified Opinion
- Statement of Expenditures of Federal Awards
  - Unmodified Opinion



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

# Statement of Financial Position 6/30/2017

## ASSETS

### Current assets:

Cash	1,730,922
Grant receivable	1,729,545
Other receivables	69,422
Prepaid expenses and other current assets	<u>393,763</u>
<b>Total current assets</b>	<b><u>3,923,652</u></b>

### Property and equipment:

Leasehold improvements	2,797,058
Software	1,340,164
Data processing equipment	1,089,107
Vehicles	418,089
Office furniture and fixtures	<u>7,068</u>
Total Property and equipment	5,651,486
Less accumulated depreciation	<u>(5,414,305)</u>
Property and equipment, net	<u>237,181</u>

Deposits	<u>361,456</u>
<b>Total assets</b>	<b><u>\$ 4,522,289</u></b>

## LIABILITIES AND NET ASSETS

### Current liabilities:

Accounts payable and accrued expenses	954,029
Accrued compensation	1,033,809
Grant advances	234,730
Deferred rent	<u>111,427</u>
<b>Total current liabilities</b>	<b>2,333,995</b>

<b>Unrestricted net assets</b>	<b>2,188,294</b>
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<b>Total liabilities and net assets</b>	<b><u>\$ 4,522,289</u></b>
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# Statement of Activities for the Fiscal Year Ended 6/30/2017

<b>Revenues:</b>	
Government Grants	\$ 27,714,560
Total revenues	<u>27,714,560</u>
<b>Expenses:</b>	
Direct program costs - training, retraining and readjustment	25,580,115
General and administrative	<u>2,301,198</u>
Total expenses	<u>27,881,313</u>
Change in net assets	(166,753)
<b>Net assets, beginning of year</b>	2,355,047
<b>Net assets, end of year</b>	<u><u>\$ 2,188,294</u></u>

# Compliance Reports

- Yellow Book
  - No instances of noncompliance noted
  - No material weaknesses or significant deficiencies
  - No other findings
- Uniform Guidance
  - Major Program = WIOA cluster
  - Unmodified opinion on compliance
  - No material weaknesses or significant deficiencies
  - No other findings



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS



# Committee Questions



**Grau & Associates**  
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