

Joint Meeting of the Audit and Finance Committees

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

**Tuesday, February 7, 2017
2:30 p.m.**

MINUTES

MEMBERS PRESENT: Edward Bass, Glen Casel, Melanie Cornell, Nicole Guillet, Mike Kurek, Leland Madsen, Margaret McGarrity, John Pittman, Olga Rabel and Mark Wylie

MEMBERS ABSENT: Kristy Mullane, Joseph Sarnovsky, Chuck Todd and Eric Ushkowitz

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

GUESTS PRESENT: Scott Anderson, Artus Nemati/ Cherry, Bekaert, Kelly Underwood / OneDigital

Agenda Item	Topic	Action Item / Follow Up Item
Business Matters of the Audit Committee		
1	Welcome Mr. Wylie, Finance Committee Member acting as Chair for Audit and Finance Committees, called the meeting to order at 2:32 pm and welcomed those in attendance.	
2	Roll Call / Establishment of Quorum Ms. Kasal, CSCF Executive Coordinator, reported that there was a quorum present.	
3	Public Comment None Offered.	
4	Approval of Minutes 9/13/16 Joint Meeting of the Audit and Finance Committee Meeting.	Mr. Kurek made a motion to approve the minutes from the 9/13/16 Joint Meeting of Audit and Finance Committees. Mr. Madsen seconded; motion passed.
5	Information/Discussion/Action Items	
	<u>Presentation from Cherry, Bekaert</u> <u>Acceptance of 2 CFR 200 Audit Report for Fiscal Year 2015-16</u> Mr. Alvarez, CSCF CFO, introduced Mr. Scott Anderson and Mr. Artus Nemati with Cherry Bekaert, CSCF's independent auditor. Mr. Anderson and Mr. Nemati greeted the committee and referenced the presentation (attachment) entitled "Audit Wrap Up – CareerSource Central Florida" – for the Year Ended 6/30/16." Mr. Anderson and Mr. Nemati reviewed the following: role of external auditor, which involves	Ms. McGarrity made a motion to accept the 2 CFR 200 Audit Report for Fiscal Year 2015-16. Mr. Kurek seconded; motion passed.

	<p>assurance that financial statements and supplementary information are fairly represented and in compliance; internal controls; significant audit areas; and financial results. Mr. Nemati summarized the results:</p> <ul style="list-style-type: none"> • Unmodified opinion issued (this is the highest level of assurance that can be provided) • No audit adjustments • Internal Controls in good shape • No sign of deficiencies or material weaknesses <p><u>Procurement Timeline – Audit Firm</u> Mr. Alvarez referenced the memo on procurement of new auditor (attachment). Mr. Alvarez stated that Cherry Bekaert has completed its 5th year of audit engagement with CSCF and, as the Department of Economic Opportunity requires contracts with audit firms be no longer than for a term of five years, CSCF will need to procure a new audit firm. Mr. Alvarez reviewed the timeline of the procurement process and presentation to the Finance Committee and Board for approval. Mr. Alvarez asked the Committee for a volunteer to be part of the evaluation process of which Mr. Kurek offered and Ms. McGarrity offered to be a back-up.</p>	
6	<p>Other Business None offered.</p>	
7	<p>Adjournment There being no other business, the Audit Committee meeting was adjourned at 2:51 p.m.</p>	
Agenda Item	Topic	Action Item / Follow Up Item
Business Matters of the Finance Committee		
1	<p>Welcome Mr. Wylie called the meeting to order at 2:52 pm and welcomed those in attendance.</p>	
2	<p>Roll Call / Establishment of Quorum Ms. Kasal reported that there was a quorum present.</p>	
3	<p>Public Comment None Offered.</p>	
4	<p>Approval of Minutes 11/8/16 Finance Committee Meeting</p>	<p>Mr. Pittman made a motion to approve the minutes of the 11/8/16 Finance Committee Meeting. Ms. Guillet seconded; motion passed.</p>
5	<p>Information/Discussion/Action Items</p>	
	<p><u>Mid-Year Budget to Actual Report</u> Mr. Alvarez referenced the report entitled “Budget vs. Actual Report – as of 12/31/16” and stated that, overall, expenditures are on track/in line with 49.3% spent. Mr. Alvarez noted that 99% of training funds have been spent</p>	

	<p>as of 12/31/16, which was the goal in order to focus on placements for the remainder of the program year. However, \$1 to 1.5M of carry-in funds will also need to be expended towards school obligations by fiscal year end, so there will be a decrease in reserves for next year. Mr. Alvarez stated he will have an action item regarding expenditure needed to cover the obligations for the Committee’s approval at the April meeting. Mr. Alvarez further stated that CSCF has exceeded the ITA goal of 50% by expending 72.2%, which is a positive opportunity to get great placements. Ms. Nabors, CSCF CEO, added that national workforce funds want regional workforce boards to spend and maximize investments. Ms. Nabors stated CSCF has been over-efficient in getting individuals into training and staff are working on improving the current control mechanism by setting quarterly enrollment targets that will align with obligations.</p> <p><u>Retirement Plan Snapshot</u> Mr. Alvarez referenced the “403(b) Snapshot” (attachment) and reviewed the OneAmerica (former plan) and Principal (new plan) comparisons in plan assets, investments, participants, rate of return and loan data. Mr. Alvarez stated that overall, with the new plan, there is an upward trend and an increase in plan assets and rate of return is expected. Data through March, as well as how the plan tracks against the market will be provided at the Finance Committee meeting in April.</p> <p><u>Employment Benefits Strategy Discussion</u> Ms. Beecham, CSCF’s CAO, introduced Kelly Underwood with OneDigital, CSCF’s new healthcare broker. Ms. Underwood greeted the Committee and provided a presentation entitled “Alternate Funding Strategies Overview” that included a high-level overview of medical insurance alternative funding options. Ms. Beecham added that this information is for the Committee’s reference in readiness for the 2017 renewal. At the April meeting, staff may provide quotes on self-funded model vs. the traditional fully- funded model for Committee’s review and Board approval. Ms. Nabors welcomed the Committee to provide staff any input or insight they would like to offer on employment benefits strategies.</p>	
6	<p>Other Business None offered.</p>	
7	<p>Adjournment There being no other business, the meeting was adjourned at 3:39 p.m.</p>	

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Respectfully submitted,

Kaz Kasal
Executive Coordinator