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**Broward Workforce Development Board  
Audit Committee**

**Tuesday, November 30, 2021  
11:00 a.m. – 12:00 p.m.**

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Zoom Meeting ID: 88966614151  
Zoom Password: 956665  
Zoom Call In: +1 646 876 9923

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## **MEETING MINUTES**

**The Committee is reminded of conflict of interest provisions. In declaring a conflict, please refrain from voting or discussion and declare the following information: 1) Your name and position on the Board, 2) the nature of the conflict and 3) who will gain or lose as a result of the conflict. Please also fill out form 8B prior to the meeting.**

**ATTENDEES IN-PERSON AND VIA ZOOM/PHONE:** Kevin Kornahrens-Chair, Gary Arenson, Dr. Ben Chen, Frank Horkey, and Bob Swindell

**STAFF IN-PERSON AND VIA ZOOM/PHONE:** Carol Hylton; Ron Moffett; Rochelle Daniels; Christine Azor and Moya Brathwaite

### **APPROVAL OF MINUTES**

Approval of the Minutes of the July 12, 2021 Audit Committee meeting

**On a motion by Dr. Ben Chen, seconded by Frank Horkey, the Audit Committee unanimously approved the minutes of the July 12, 2021 Audit Committee Meeting.**

### **NEW BUSINESS**

#### **1. “Due To Due From” Balance**

Consideration to zero out a “due to due from” balance. During the presentation of the 2018 - 2019 Audit to our governing boards and staff we were informed that there was a “due to due from” of about \$1,000,000, on our books. The origin of the “due to due from” dated back to the period during which the CSBD Audit was performed by Grau & Associates. This was not a compliance finding. It was a marker denoting funds might need to be transferred from one funding stream to another. Research identified \$600,000 which was noted in the 2019 – 2020 CSBD Audit Report reducing the “due to due from” to \$366,747. In preparation for this year’s audit we researched all the way back to 2011 but were unable to identify any funding stream which has not been reconciled and balanced. After conferring with our Audit Firm we are asking the governing boards to approve our zeroing out this balance. We believe the “due to due from” resulted from the myriad of aggregated adjustments; we were directed to

do by Grau & Associates, which did not tie back to individual costs. It should be noted that all of our federal and state grant reports balance and no findings have been identified going back to 2011 that would support the remaining balance of the “due to due from”.

Rochelle Daniels asked to be recognized. Ms. Daniels explained the history of the “due to due from” balance and our Auditor’s recommended resolution.

Gary Arenson asked if there would be ramifications to any funding streams as a result of zeroing out the balance.

Ms. Daniels responded, no. All prior years’ audits have been accepted, and all federal and state filings are in order. Ms. Daniels added there will be a footnote in this year’s audit to address the adjustment.

Mr. Arenson said the adjustment should be notated in the audit.

Frank Horkey stated the “due to due from” must be addressed. There should be no repercussion for taking the auditor’s recommend actions as we need to do to fix the books. Mr. Horkey made the motion to authorize fiscal to make the necessary adjustments.

Dr. Ben Chen asked if the balance was only reflected in liabilities and assets and not in revenue.

Ms. Daniels replied, “that is correct”.

**On a motion by Frank Horkey, seconded by Gary Arenson, the Audit Committee unanimously approved the recommendation to zero out the “due to due from” balance with the appropriate notations in the books and if appropriate in the audit.**

## **2. Food and Beverage Purchases**

Consideration to approve up to \$23,500 from the General Fund, for food and beverage expense for 2022 as the state does not allow us to use grant funds for these expenses. We use these funds for: 1) Board and Committee meetings, 2) Staff planning sessions and day long staff training, 3) Employer Forums, 4) Networking events such as Chamber of Commerce/Industry Association meetings, 5) Community meetings attended by the President/CEO, Executive Vice President and management, and 6) Staff Appreciation up to 3 times per year. We have not spent much while meeting virtually but we are slowly returning to in person meetings. This is the same amount set aside in previous years. Unspent funds remain in the General Fund.

Mr. Horkey asked if the food and beverage expense at the recent “Paycheck for Patriots” event for employers would be covered under the \$23,500.

Ms. Daniels replied it is not. Recruitment events can be expensive and there are many, many events during the course of the year. Ms. Daniels added specific events would have to be budgeted otherwise we could exceed \$23,500.

Mr. Horkey added if employers are present at an event like “Paychecks for Patriots” food

and beverages should be provided.

Mr. Arenson stated if we provided food and beverages for the “Paychecks for Patriots” events we would have to do the same for all recruitment events to avoid the appearance of favoritism.

Ms. Daniels stated we could conduct a budget analysis for the provision of food and beverages at these events and present the findings to Employer Services or Audit Committees to determine if this is an expense we should incur.

Dr. Chen stated several years ago the fund was used to purchase the Administrative Building. He said we should start planning for future use of the fund and analyze the revenue and expenditures in the General Fund.

Ms. Daniels said, several years ago we discussed the possibility of purchasing the Oakland Park facility for the One-Stop. We made an inquiry but the state did not want to give us the building at a minimal cost. A few weeks ago we made another inquiry to the state regarding the purchase of two of the four buildings at the location. Ms. Daniels added if this is a plan the board and elected official agree with as indicated previously we could look into the possibility of community development funds.

Mr. Arenson and Mr. Horkey agreed that we should put a plan in place regarding the Oakland Park buildings.

**On a motion by Bob Swindell, seconded by Gary Arenson, the Audit Committee unanimously approved \$23,500 from the General Fund, for food and beverage expense for 2022**

## REPORTS

### 1. General Fund Balance

On 5/31/21 the General Fund balance was \$827,311. Since then, we have realized revenues of \$99,537. This also reflects expenditures of \$63,223. The General Fund balance as of 9/30/21 is \$863,625 of this amount \$408,844 is held in reserve leaving a balance of \$454,781 which is uncommitted.

Ms. Daniels reviewed the General Fund balance.

Mr. Arenson asked whether we could provide the balance for the uncommitted funds for the period of June to September.

Ms. Daniels stated we will email the requested information.

Mr. Horkey asked whether in the future we could include the New Income for the period on the General Fund Worksheet and whether the worksheet could be published quarterly based on the fiscal year?

CSBD will see compiling the report on a quarterly basis.

## **2. Budget vs Expenditure Report**

The Budget vs. Expenditure Report indicates some under-expenditure in the WIOA adult/dislocated worker and youth funding streams. We are expanding our outreach efforts, scheduling ITA fairs, getting ready to launch an in-school youth program and preparing to serve OSY through the one-stops in order to increase expenditures.

Ms. Daniels stated that we have strategies in place to increase WIOA expenditures.

Carol Hylton added that we used our COVID Grant money which expires in March 2022 before using our formula funds as our formula funds can be carried forward.

Mr. Horkey congratulated staff for monitoring this and utilizing funds in an appropriate way.

Ms. Hylton added Veterans funds are a little under-utilized but the State has extended the period for expending the funds to the end of December.

Ms. Daniels reminded the Committee that we have two years to spend funds. In the second year we can only carry forward 20%. If we are under spent in year one of the grant the state cannot take the funds back. Ms. Daniels added funds are spent and accounted for as first in first out, so the oldest money being expended first.

## **3. Department of Economic Opportunity Fiscal Monitoring Report Issued 8/21**

The Florida Department of Economic Opportunity (DEO) issued their 2020-2021 Financial Compliance Monitoring Report for the period 4/20 through 3/21, on 8/31/21. There were zero (0) findings, non-compliance issues or observations.

## **4. Department of Economic Opportunity Program Monitoring Report Issued 8/21**

The Florida Department of Economic Opportunity (DEO) issued their Program Monitoring Report for the period 4/20 through 3/21, on 8/31/21. They reviewed a total of 195 files consisting of 5,535 elements. There were 2 findings and 5 non-compliance issues. The findings equate to an error rate of (.04%) less than 1%. All findings and non-compliance issues were corrected except where cases were closed and no further action could be taken. Our Corrective Action Plan was accepted on 10/8/21.

## **5. Cherry Bekaert LLP Fiscal Monitoring Report #3 PY 20-21 Issued 4821**

Cherry Bekaert conducted fiscal monitoring for the period 3/1/21 through 6/30/21. Cherry Bekaert reviewed a total of 1,046 elements during the review period. There were no findings or observations. Based upon the total elements reviewed, this was a 0% error rate.

## **6. Taylor Hall Miller Parker PA Program Monitoring Report #3 issued 9/21**

THMP conducted program monitoring for the period 2/26/21 through 7/29/21. They reviewed a total of 175 files consisting of 7,327 elements. There were 11 findings and 23 observations. This equates to an error rate of (.15%) less than 1%. All findings and observations were corrected except where cases were closed and no further action

could be taken.

Ms. Daniels asked the committee if members wanted to review the reports individually or comment.

Mr. Arenson stated he loves zeros. He added to congratulate staff and keep up the good work, strive for better but we're doing great.

## **7. Comparison of Program Year 19-20 Programmatic Monitoring Results for the Big Seven Regions**

At the request of the Audit Committee, CSBD asked the state for information on how our monitoring findings compared to the other big regions. For Program Year 19-20 CSBD had 2 program findings and 5 program noncompliance issues. This was the lowest number of all the big seven regions. The other regions' reports noted 3 to 13 findings and 6 to 13 noncompliance issues. Across all regions for PY 19-20 there were a total of 183 findings and 151 noncompliance issues.

Ms. Daniels stated that at the last Audit Committee meeting there was a question as to how we compare to other boards in monitoring. Ron Moffett took on the task. Few boards were willing to share their results. The information presented was obtained through the state.

Mr. Moffett stated based on the available information we have the fewest number of findings of the big seven boards.

Mr. Horkey said he wanted to point out that some of finding we do not consider to be findings so we dispute them, although they are recorded as findings.

### **MATTERS FROM THE AUDIT COMMITTEE**

None

### **MATTERS FROM THE FLOOR**

None

### **MATTERS FROM THE PRESIDENT/CEO**

Ms. Hylton stated we had our Paycheck for Patriots event last week. Michelle Dennard President/CEO of CareerSource Florida attended, along with Casey Penn, Bureau Chief of DEO and Mayor Levy. Frank Horkey spoke and we had other board members attending who represented employers. Over 60 employers participated in the event with over 200 job opening and between 500-600 customers pre-registered for the event. Also at the event it was announced that we were one of the recipients of the Get There Faster Grant which is specific to veterans. We will be receiving approximately \$1.3M.

Mr. Horkey asked if this was a competitive grant.

Ms. Hylton replied, "it was". The total grant is about \$8M. Four regions received a grant.

Mr. Horkey said "great work staff". He added Paychecks for Patriots was a great event which

was recorded and shared with the press.

Kevin Kornahrens asked if we had dates for the next meetings.

Ms. Hylton responded not yet. This is an item on the 12/9/2021 Board agenda.

**ADJOURNMENT:**

11:57