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**MINUTES**

Audit Committee Meeting  
Monday, December 2, 2019  
CareerSource Broward, 2890 West Cypress Creek Road, Fort Lauderdale, FL 33309

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:** Michael Carn, Chair, Dr. Ben Chen and Gary Arenson via telephone

**STAFF:** Rochelle Daniels, Carol Hylton, Christine Azor, Mason Jackson, and Kathy Redford were present.

Michael Carn, Chair, opened the meeting with self-introductions. In accordance with his request the minutes will reflect the individual responsible for chairing the meeting.

**APPROVAL OF MINUTES**

Approval of the Minutes of the February 15, 2019 Audit Committee meeting.

On a motion by Dr. Chen and seconded by Gary Arenson, the Audit Committee unanimously approved the minutes of the February 15, 2019 Audit Committee Meeting.

**NEW BUSINESS****1. Budget vs. Actual Expenditures for PY 2019-2020**

General Counsel, Rochelle Daniels, reported on this item. She stated we are working on increasing expenditures in two areas, Wagner Peyser and Youth. She reported that Wagner Peyser expenditures should be on target as we are in the process of refreshing our centers by installing some new furniture and cubicles to replace items that have become worn so that we can present a good face to the public and signal to participants who come into the centers that they are valued. With respect to youth, Ms. Daniels reported that the under-expenditures are due to youth not participating in work experience activities. Because our participants are out of school youth and unemployment is so low many of the youth have part-time jobs. We don't want to send a signal to a youth to give up a part-time job for a subsidized job. We met with our providers before the Thanksgiving holiday for discussion on how to address this. The

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providers indicated that they are expecting new enrollees in January who are likely to enter into a work experience. They also said they would try and identify students who are not working and will emphasize the benefit of a work experience to them. We are also considering whether we should release an RFP in January. However it still doesn't guarantee that we will expend work experience dollars. We will continue to work on the work experience expenditures. We do have two years to meet the 20% expenditure but we do not want to carry that over into the next year.

Dr. Chen inquired whether the contracts require a certain percentage be spent on work experience. Rochelle Daniels stated they do. Dr. Chen proposed that we count youth in part-time jobs as meeting the work experience requirement. Rochelle stated the legislators did not consider that the emphasis in serving out-of-school youth would result in many youth entering the program with a part-time job; therefore, we cannot get credit for those unsubsidized jobs. Mason Jackson indicated the percentage was based on the money given to us. They are not counting in-kind so to speak. Mason Jackson stated we can write it to the state but they have to turn it over to the feds. Nationally, there is a push to serve out-of-school youth, who are often detached from the workplace and are not in education or training. Congress decided to use the money to connect youth to the workplace. While we can say there should be some exceptions for local circumstances, we would be fighting an uphill battle to get them to just give waivers out for this population because all the national statistics say nobody is helping these young people.

Mason Jackson stated we will do a little more research and see if this is a problem with other boards and we will write a letter and see if we can't get the state to look at it.

Gary Arenson inquired about the SNAP program and was looking at chart number two. Mason Jackson stated they are talking about changing the work requirements.

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

The committee considered recommending approval of the Food and Beverage Purchases for calendar year 2020 in the amount of \$23,500.

Mr. Arenson inquired as to how expenditures compared to last year. Mason Jackson responded that we average about \$18,000 just about every year.

Dr. Chen moved the motion on floor and Mr. Arenson, seconded it. The Audit Committee unanimously voted to recommend approval of the food and beverage set aside from the General Fund for next year.

## **REPORTS**

### **1. General Fund Balance**

On 5/31/19 the General Fund balance was \$572,597. Since then we have had expenditures of \$76,575 and realized revenues of \$152,851 resulting in a balance of \$648,873 as of 10/31/19.

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Rochelle Daniels stated that information on the mortgage, interest and depreciation was not included and would be provided at the next meeting. Gary Arenson stated that depreciation is a non-cash item but what we are really talking about is the reimbursement from the grants of the depreciation in the form of cash. Rochelle Daniels stated that Ms. Christine Azor VP Fiscal, reconcile at the end of the year.

Dr. Chen inquired about our offer to the state of a dollar for the Central Office. Rochelle Daniels stated the state wasn't very excited about that offer. Dr. Chen inquired about the South Office and whether it was a state property as well. Ms. Daniels stated it was a state office; however, Central is the busier of the two properties. The South office was a little newer and was built differently and maintained differently. Dr. Chen stated, if we could get the property, we can build workforce housing and a workforce office downstairs.

2. **State 2018-2019 Financial Compliance Monitoring Report**

The State's 2018-2019 Financial Compliance Monitoring Report was issued on July 26, 2019. There were no (0) findings, non-compliance issues or observations.

3. **Taylor Hall Miller Parker (THMP), PA Program Monitoring Report #2 – PY 18-19 Issued July 2019**

THMP conducted program monitoring for the period November 8, 2018, through April 1, 2019. There were 3 findings and 22 observations. All findings and observations were corrected except where cases were closed and no further action could be taken.

4. **Cherry Bekaert, LLP Fiscal Monitoring – Report #2 PY 2018 Issued September 2019**

Cherry Bekaert conducted fiscal monitoring for the period 1/1/19 through 4/30/19. There were no (0) findings and 1 observation.

5. **Cherry Bekaert LLP Fiscal Monitoring Report #3 PY 2018 Issued October 2019**

Cherry Bekaert conducted fiscal monitoring for the period 5/1/19 through 6/30/19. There were no (0) findings and 1 observation.

6. **Cherry Bekaert LLP Fiscal Monitoring – Report #1 Program Year 2019-2020 Issued November 2019**

Cherry Bekaert conducted fiscal monitoring for the period 7/1/19 through 9/30/19. There were no (0) findings or observations.

Mason Jackson discussed the financial compliance report and mentioned that it was zero and went on to congratulate Christine Azor. Rochelle stated there were no findings in the Cherry reports. Mr. Carn stated we like that. Ms. Daniels gave kudos to our Finance Department.

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**MATTERS FROM THE AUDIT COMMITTEE:**

Dr. Chen inquired whether or not we should reduce our monitoring to one or two times a year. Mason Jackson responded that it could be cut down. Dr. Chen suggested we should ask our auditor to see what they think. We can also ask the advice of our two experts Frank Horkey and Gary Arenson on our Board. Dr. Chen stated he will go along with the recommendations of Gary Arenson and Frank Horkey.

Mason Jackson stated that Taylor Hall comes three times and we don't want to reduce that one.

**MATTERS FROM THE FLOOR:**

None

**MATTERS FROM THE PRESIDENT/CEO:**

None

Adjournment