



MINUTES

CareerSource Broward
Board Room
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.

SELF-INTRODUCTIONS

ATTENDEE: Gary Arenson, Michael Carn, Dr. Ben Chen, Frank Horkey via telephone and Dr. Lisa Knowles

STAFF: Christine Azor, Michael Bateman, Rochelle Daniels, Carol Hylton, Mason Jackson, Kathy Redford and Zion Walker were present.

APPROVAL OF THE MINUTES

Approval of the Minutes of the February 11, 2019 Audit Committee meeting.

On a motion by Ben Chen and seconded by Gary Arenson, the Audit Committee unanimously approved the minutes of the February 11, 2019 Audit Committee meeting.

NEW BUSINESS

1. **Approval of the Renewal of the Anthony Brunson, P.A. Contract for Performance of the Annual Audit**

The committee considered the renewal of the Anthony Brunson, P.A. contract for performance of the annual audit at a cost of \$29,000 the same fee paid last year. CSBD was satisfied with their work.

On a motion by Mr. Gary Arenson and seconded by Dr. Ben Chen, the Audit Committee unanimously approved recommending the renewal of the Anthony Brunson, P.A. contract at a cost of \$29,000.

2. Approval of the Renewal of the Taylor Hall Miller Parker, PA Program Monitoring Contract

The committee considered the renewal of the Taylor Hall Miller Parker, PA contract for program monitoring at a cost of \$28,000 per visit for a total of \$84,000 for 3 visits a year. This is an increase of \$500 per visit over last year. CSBD was satisfied with the work performed last year. Mr. Carn said that equates to an annual increase of \$1,500.

On a motion by Mr. Frank Horkey, seconded by Dr. Ben Chen, the Audit Committee unanimously approved recommending the renewal of the Taylor Hall Miller Parker, PA contract.

3. Approval of the Renewal of the Cherry Bekaert LLP Fiscal Monitoring Contract

The committee considered the renewal of the Cherry Bekaert LLP contract for fiscal monitoring at a cost of \$22,500 per visit for a total of \$ 67,500 for 3 visits a year. This is the same cost as last year. Audit Committee Chair, Michael Carn, Chair, asked staff for their input. Rochelle Daniels, stated that CSBD was satisfied with their work. She further stated that CSBD has contacted them when we have had other issues and they have made themselves readily available.

On a motion by Dr. Lisa Knowles and seconded by Dr. Ben Chen, the Audit Committee unanimously approved recommending the renewal of the Cherry Bekaert LLP Contract.

REPORTS

1. General Fund Balance

As of May 31 the General Fund balance is \$572,597. Since December 31, 2018, we have realized gross revenues of \$229,712 and have had expenditures of \$306,735 for costs related to the completion of the renovation of the new building, Ticket to Work staff, food and beverage expense.

Commissioner Carn asked about the new building costs. Rochelle Daniels said we are in the process of completing final renovations required by code like the landscaping, blacktopping the parking lot, and last minute finishes inside the building. From this point on maintenance of the building will be supported by the grants.

Dr. Ben Chen asked whether we could increase the rent charged to the grants. Rochelle explained that CSBD charges depreciation and the interest mortgage to the grants and that these amounts are set. This was reviewed with Cherry, our monitors and with Christine Azor, VP Finance to make sure it would stand up to scrutiny. Mason Jackson noted that we are doing it in conjunction with the state as well, so they know exactly what we are doing.

Lisa Knowles asked if the general fund was different than the unrestricted funds and Commissioner Carn responded and said they were the same.

Mr. Arenson asked if the \$86,000 in expenditures was for Ticket to Work. Rochelle said: "yes", the reason we are able to take 100% of the revenue earned into our general fund is because the staff that generates the revenue is not paid with federal dollars.

Mr. Arenson asked how we will utilize the general funds in the future. Rochelle said she had spoken to the state about the building on Oakland Park Boulevard and had offered them \$1.00. She went on to say that since we are going to realize a return to the general fund through the depreciation, we could actually offer them a little more. The location on Oakland Park Boulevard is an optimum location. If the building was ours, we could explore other options. For example, the building we currently occupy could go on the market and we could build another story onto the building on Oakland Park Boulevard, add parking and have the administrative office and one-stop there.

Frank Horkey reminded the committee that three years ago, he and Gary Arenson had worked on this; they had lots of guidance on how to do this. Mr. Arenson, commented that we are getting better returns than we would with the investment money that we have.

Mr. Horkey, asked if the payments returned to the general fund comes from program funds. Rochelle responded, "Yes." The money returned to the general fund comes out of funding for the programs just as it would if we were paying rent. But it will be less than the rent

2. Cherry Bekaert LLP Fiscal Monitoring Report #3 PY 17-18 Issued 12/2018

Cherry Bekaert LLP conducted fiscal monitoring for the period 4/1/18 through 6/30/18. There were 0 findings and 2 observations. One of the observations cited the bus pass support logs because the bus pass numbers were out of sequence. It was determined that there were 2 logs maintained by 2 different staff. Each entering their distribution sequentially. Together the 2 logs accounted for all bus passes and were sequential. The other observation was corrected. Cherry Bekaert reviewed a total of 818 elements during the review and CSBD achieved a zero error rate for the period.

Michael Carn commented on the report stating: "The observations are minor, congratulations to the staff. Good work."

3. Cherry Bekaert LLP Fiscal Monitoring Report #1 PY 18-19 Issued 5/2019

Cherry Bekaert LLP conducted fiscal monitoring in April 2019 in accordance with the agreed upon schedule for the period 10/1/18 through 12/31/18. The report was issued in May and there were 0 findings and 0 observations. Cherry Bekaert reviewed a total of 680 elements during the review and CSBD achieved a zero error rate for the period.

4. Taylor Hall Miller Parker, PA, Program Monitoring Report #1 8/2018 – 11/2018

The THMP program monitoring report for the period August 1, 2018, through November 8, 2018 cited 5 findings and 26 observations. They reviewed a total of 175 files consisting of 5,155 elements. The findings equate to an error rate of about .097%. All findings and observations were corrected except where cases were closed.

5. State DEO Program Monitoring Report 12/2018

The Florida Department of Economic Opportunity (DEO) issued their Program Monitoring Report for the period covering January 1, 2017 – December 31, 2017, on December 12, 2018, DEO identified 8 findings and 7 "non-compliance" issues, which could be findings in the future if not corrected, and 1 observation. CSBD was informed that their Corrective Action Plan was accepted on April 18, 2019.

Michael Carn congratulated the staff and said the findings were very small. Mason Jackson said Taylor Hall looked at 5,000 elements and found 5 findings. The state looked at 10,000 elements and over 261 files and found 8 findings and 7 observations; this is less than 2/10 of a percentage error rate. He referred to the graph on page 19. Mr. Jackson went on to say how the findings have gone down since 2011.

Lisa Knowles said the goal is to have zero findings and asked if we have an industry average. Mason Jackson said we have fiscal monitoring and programmatic monitoring. Other boards may have internal monitors but they don't publish them. 6-Sigma and general industry parameters can be used for measuring. Mr. Jackson went on to say these are way out there on the table for comparison. Michael Bateman is very good at comparing to industry standards. Michael Bateman went on to say that we are doing about .097 which is the low to mid 4 range for 6-Sigma level which is quite stellar.

MATTERS FROM THE AUDIT COMMITTEE:

Mason Jackson asked Christine Azor to show the check register and how she divides up the costs. He wanted to show the committee how we allocate among 47 different funding streams.

MATTERS FROM THE FLOOR:

Mr. Carn introduced Zion Walker, the Legal Department's Summer Youth Intern. Zion gave a brief introduction of what he is doing in the Legal Department and his future aspirations.

MATTERS FROM THE PRESIDENT/CEO:

None

Adjournment