



**Broward Workforce Development Board
Audit Committee
Monday, September 14, 2020
11:00 a.m. – 12:00 p.m.**

**Zoom Meeting ID: 833 7491 3576
Zoom Password: 188014
Zoom Call in: +1 646 876 9923**

MEETING MINUTES

The Committee is reminded of the 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 via Zoom/phone: Michael Carn, Chair, Dr. Ben Chen, Gary Arenson, and Bob Swindell

Staff via Zoom/phone: Carol Hylton, Ron Moffett, Rochelle Daniels, Moya Brathwaite, and Elizabeth Messler

Guests via Zoom/phone: Anthony Brunson and Audrey Robinson, Brunson, PA

Michael Carn, Chair, opened the meeting with self-introductions. Anthony Brunson and Audrey Robinson from Anthony Brunson, PA, also attended to present.

APPROVAL OF MINUTES

Approval of the Minutes of the February 10, 2020 Audit Committee meeting.

On a motion made by Gary Arenson and seconded by Bob Swindell, the Audit Committee unanimously approved the minutes of the February 10, 2020 meeting.

PRESENTATION

Anthony Brunson, CEO, Anthony Brunson P. A. will present regarding PY 19 – PY 20 Audit Entrance Conference

Anthony Brunson stated that they met with CSBD staff to discuss the Audit scope, deliverables and timelines. Mr. Brunson stated that the core focus of providing an entrance conference to the Audit Committee is to determine if there are any specific concerns or items that the committee would like included.

Anthony Brunson shared a Power Point presentation providing an outline of the scope of the audit. Mr. Brunson noted that the audit is conducted pursuant to generally accepted auditing standards, government auditing standards, state regulations, rules of the Auditor General, Uniform Guidance known as the Single Audit, and Department of Economic Opportunity (DEO) Guidelines. Subsequently, they prepare a Data Collection Form that is submitted to the federal government.

Chair, Michael Carn inquired if they anticipate presenting to the BWDB in January. Mr. Brunson replied affirmatively.

Mr. Brunson discussed the deliverables which are largely consistent with last year. Mr. Brunson noted that in talking with the CSBD team, there are some changes regarding items sought by DEO.

Rochelle Daniels clarified that when CSBD signed its master agreement this year, DEO added items to the list of things required by our auditors. DEO is also requesting that the work papers be made accessible to them, which is not in accordance with the rules of the Auditor General from the American Institute of CPAs. Ms. Daniels requested that Anthony Brunson address this issue.

Anthony Brunson replied that, traditionally, work papers are documents owned and held by the accounting firms. Mr. Brunson stated that they can make them available for a specific request, such as for litigation or a significant matter that may occur as a result of the audit. Mr. Brunson stated that they will need to work this out. Gary Arenson inquired if anyone has replied to DEO stating that CSBD will gladly respond to specific requests; however, we do not send blanket work papers.

Rochelle Daniels replied that CSBD has not replied to the state on this matter, and added that we have discussed the possibility of providing a link to the state.

Mr. Brunson thanked everyone for the opportunity to work with CSBD again.

NEW BUSINESS

1. Move Annual Planning Session and Conduct Board Workshops in December

Consideration to approve 1) a change to the schedule of the Broward Workforce Development Board, Inc. annual planning session from December to March/April to align with the program year and the timing of decisions regarding our resource investments as reflected in the approval of our budget. This will also allow more time for the pandemic to subside so we can meet in person. 2) The scheduling of Zoom workshops for the governing boards following the December Meeting to update the board on all the programs and services offered by CSBD.

Michael Carn inquired why this item is being discussed in the Audit Committee, since it is also on today's Executive Committee meeting agenda.

Carol Hylton explained that since memos are channeled through the committees, and since we want to talk about alignment as it relates to the budget, it was thought to be a good place to start. Ms. Hylton noted that if we are able to shift the planning session to March/April, before the budget comes to the BWDB in May, this will allow the BWDB to provide input, setting the tone for the new program year. The planning session at this time of the year will allow CSBD to put emphasis where directed by the BWDB.

In the interim, in December, CSBD is considering holding Zoom virtual workshops. This will include administering a survey to the BWDB to determine individual interests of BWDB members, from which several breakout rooms can be created for those topics. Ms. Hylton offered some examples of common interests, such as labor market information, Individual Training Accounts, continuous improvement, quality assurance, and corrective action plans. CSBD would identify some core topics and have some open areas for BWDB members to suggest others. CSBD also plans to provide information to increase the BWDB's knowledge on how day-to-day operations are conducted in each area.

Gary Arenson agreed with the recommendations. Mr. Arenson emphasized that providing more education to BWDB members on what CSBD does will make better BWDB members.

Michael Carn stated that having the workshops is a great idea, particularly for new BWDB members attending their first planning session. Mr. Carn suggested reviewing how these workshops could be tailored to orchestrate and encourage newer BWDB members to express themselves. Mr. Carn inquired if there would be a pre-test and a post-test.

Carol Hylton replied that they are thinking of doing a little of both in the survey.

Gary Arenson noted that the session will be recorded, so someone can view it later.

Michael Carn thought this was a great idea and thanked Carol Hylton for bringing this item.

Dr. Ben Chen suggested having a contingency date after March due to the uncertainty of the COVID-19 pandemic.

Michael Carn and Carol Hylton clarified that March/April is the target and that we can revisit the dates later, if needed, or hold the sessions via Zoom.

On a motion by Dr. Ben Chen and seconded by Bob Swindell, the Audit Committee unanimously approved 1) a change to the schedule of the Broward Workforce Development Board, Inc. annual planning session from December to March/April and 2) The scheduling of Zoom workshops for the governing boards following the December Meeting to update the board on all the programs and services offered by CSBD.

REPORTS

1. **General Fund Balance**

On 12/31/19 the General Fund balance was \$569,126. Since then, we have realized revenues of \$178,108 and expenditures of \$102,249 resulting in a balance of \$644,985 as of 6/30/20.

Michael Carn thanked everyone for their hard work. There were no items of note.

2. **Budget vs Actual Expenditures Report 7/1/19 through 6/30/20**

The Budget vs. Expenditure Report is divided into 2 charts. The first is for funding streams awarded on July 1st in accordance with the WIOA program year and our other funding streams awarded on October 1st in accordance with the federal fiscal year. In general we are on target to meet projected expenditures. We are working with our youth providers to increase expenditures and have provided them with additional staff for work experience and job development. We have received additional funds for Veterans and have a plan to spend those funds.

Michael Carn noted that in terms of expenditures, the youth funds are our biggest challenge. Mr. Carn inquired if CSBD would be penalized for spending a lower percentage.

Carol Hylton replied that it is still the beginning of the program year and that we have time. Secondly, the funds have the ability to carry forward. Ms. Hylton noted that our struggle to spend the work experience component is not specific to our region. This is a struggle across the state.

3. **Acceptance of DEO Program Monitoring Report issued December 6, 2019**

The Florida Department of Economic Opportunity issued their CSBD Program Monitoring Report for the period 4/18 through 3/19, on 12/6/19. There were seven (7) findings and seven (7) non-compliance issues. All the findings, and non-compliance issues were corrected and the observations were addressed. They reviewed a total of 241 files consisting of 9,653 elements. The error rate was about .015%. CSBD's Corrective Action Plan was accepted by DEO on 4/18/20.

Michael Carn inquired if DEO is stepping up their monitoring to catch things they are concerned about during regional board audits.

Rochelle Daniels replied that DEO is constantly trying to fine tune its monitoring protocol. CSBD gets a new set of DEO monitoring tools every year. Small and sometimes bigger changes are made due to things DEO finds systemically wrong or concerns that come up while monitoring other regions, as opposed to isolated instances. Ms. Daniels stated that we also fill out an Internal Control Questionnaire for DEO that changes slightly based on things they find in other regions. Ms. Daniels believes that DEO does the best they can to monitor; however, there are always going to be bad actors. Further, some things will not be caught the very first time they occur because a certain volume would be necessary before it is noticed in a set of books. Ms. Daniels stated that we are lucky to have Christine Azor, our Sr. Vice President of Finance, on our team because she is now a certified Forensic Examiner, skilled at detecting fraud.

Carol Hylton added that DEO is ensuring that regions are more transparent. Per the master agreement, DEO now requires regions to post certain documents on their website, such as monitoring reports and contracts with other regions.

4. **Cherry Bekaert LLP Fiscal Monitoring Report #2 PY 19-20 Issued April 2020**

Cherry Bekaert conducted fiscal monitoring for the period 10/1/19 through 1/31/20. Cherry Bekaert reviewed a total of 913 elements during the review period. There were no (0) findings or observations which reflects an error rate of 0%.

Michael Carn thanked staff for their hard work. Mr. Carn stated that it appears staff is getting good training as a result of the thoroughness of these reviews.

Carol Hylton agreed, noting that Cherry Bekaert is very detailed in their reporting. Ms. Hylton stated that it is a credit to Christine Azor and her staff, as well as the entire CSBD team, who do an awesome job.

5. **Cherry Bekaert LLP Fiscal Monitoring Report #3 PY 19-20 Issued August 2020**

Cherry Bekaert conducted fiscal monitoring for the period 2/1/20 through 5/31/20. Cherry Bekaert reviewed a total of 1,040 elements during the review period. There were no (0) findings or observations which reflects an error rate of 0%.

6. **Taylor Hall Miller Parker P.A. Program Monitoring Report #1 PY 19-20 Issued March 2020**

Taylor Hall Miller Parker (THMP) conducted program monitoring for the period 08/1/19 through 11/21/19. They reviewed a total of 180 files consisting of 7,743 elements. There were 6 findings and 30 observations. The findings equate to a .078% error rate. All findings and observations were corrected except where cases were closed and no further action could be taken.

Michael Carn commented that report findings were fantastic.

7. **Taylor Hall Miller Parker P.A. Program Monitoring Report #2 PY 19-20 Issued August 2020**

Taylor Hall Miller Parker (THMP) conducted program monitoring for the period 11/21/2019 through 4/2/2020. There were 17 findings and 22 observations. They reviewed a total of 176 files consisting of 7,001 elements. The findings equate to a .24% error rate. All findings and observations were corrected except where cases were closed and no further action could be taken.

MATTERS FROM THE AUDIT COMMITTEE

Gary Arenson stated that there is a present initiative by the President to defer Social Security taxes that would apply to certain organizations. Mr. Arenson is concerned about any implications that could be detrimental to our organization and he inquired if we received any direction from the state. Carol Hylton replied that the state is leaning toward not taking any action at this time and we are waiting for additional direction. Mr. Arenson requested to be sent any future updates. Rochelle Daniels stated that at this time our inclination is to do nothing, so as not to place staff in future debt.

Dr. Ben Chen stated that there are payroll loans available for non-profits under the federal program, so as long as employees are not laid off and the organization pays their payroll. Dr. Chen inquired if CSBD had thought of applying. Rochelle Daniels replied that our non-profit does not have any employees, so the BWDB is not paying any payroll taxes.

MATTERS FROM THE FLOOR

None

MATTERS FROM THE PRESIDENT/CEO

Carol Hylton announced that CSBD is doing a tri-county virtual job fair on September 23rd at 9:00 a.m., for the hospital, retail and tourism workers who have been laid off. CSBD is partnering with Palm Beach, and the Research Coast. Information on the job fair will be shared with the municipalities, cities' public information officers, The Greater Fort Lauderdale Alliance, and various community partners.

Carol Hylton noted that September is Workforce Professional Month, which CSBD will be highlighting in social media.

Carol reported that she met with Bob Swindell shortly after becoming President to discuss how The Greater Fort Lauderdale Alliance's website could better highlight CSBD. Ms. Hylton noted that their website has since been updated and the CSBD page is very impressive. Ms. Hylton thanked Bob Swindell and stated that she hopes to show the page at the September BWDB meeting.

Michael Carn asked Ms. Hylton if there is any specialized training to share with our cities on transferrable skills for the hospitality industry. Ms. Hylton stated that CSBD has a dedicated page and she will get back to Mr. Carn with this information.

ADJOURNMENT: 11:47 a.m.

THE NEXT AUDIT COMMITTEE MEETING IS TO BE DETERMINED.