



Broward Workforce Development Board

Audit Committee

Monday, February 8, 2021

11:00 a.m. – 12:00 p.m.

Zoom Meeting ID: 87643999615
Zoom Password: 187890
Zoom Call In: +1 646 876 9923

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 VIA ZOOM/PHONE: Michael Carn, Chair; Gary Arenson; Frank Horkey and Bob Swindell

STAFF VIA ZOOM/PHONE: Carol Hylton; Ron Moffett; Rochelle Daniels; Christine Azor and Moya Brathwaite

GUESTS VIA ZOOM/PHONE: Anthony Brunson and Audrey Robinson, Anthony Brunson, PA

Michael Carn, Chair, opened the meeting with self-introductions. Anthony Brunson and Audrey Robinson, from Anthony Brunson, PA attended to present the 19-20 audit report.

APPROVAL OF MINUTES

Approval of the Minutes of the September 14, 2020 Audit Committee meeting.

On a motion by Gary Arenson, seconded by Frank Horkey, the Audit Committee unanimously approved the minutes of the September 14, 2020 Audit Committee Meeting.

PRESENTATION

Anthony Brunson, CEO, Anthony Brunson P.A. will present regarding the 2019 – 2020 Audit

NEW BUSINESS

1. Anthony Brunson, PA 2019-2020 Audit

Anthony Brunson, PA completed the Audit of the 2019 – 2020 CareerSource Broward fiscal year. The audit is clean and has an unqualified opinion. There are no findings or management recommendations.

Mr. Brunson presented a summary of the Audit Report, which was conducted according to generally accepted accounting audit standards and included a review of internal controls governing financial operations, as well as laws and regulations.

All Audit Committee members received copies of the Audit Report prior to Mr. Brunson's presentation. Mr. Brunson stated there were no unusual transactions, management judgements and estimates are consistent with past audits. Mr. Brunson stated at the beginning of the engagement he discussed with management the "due to" and "due from" accounts and noted that management had done a good job of clearing those accounts.

Mr. Brunson, went on to state that COVID-19 had little impact on the organization. Mr. Brunson mentioned the compensated absences in the amount of \$71,768. Mr. Frank Horkey asked if the change in compensated absences was due to the payout to Mason Jackson when he retired. Mr. Brunson replied he would have to verify, but management would be better able to answer that question. Christine Azor stated she believed it was.

Mr. Brunson ended his presentation by stating that there were no Audit findings.

Michael Carn thanked Christine Azor and her department for their diligence. He also thanked Mr. Brunson and his team for a successful engagement.

On a motion by Bob Swindell, seconded by Frank Horkey the Audit Committee unanimously approved the FY 2019-2020 Audit Report.

2. Food and Beverage Purchases

Each year CSBD requests approval to use some of the General Fund to pay for food and beverage expenses. This is because the State does not allow local boards to use WIOA funds for the purchase of food and beverages. Because we have been meeting virtually during the COVID-19 we only spent \$2,184 of the \$23,500 approved through 12/31/2020. We are requesting approval to spend up to \$23,500 the same amount requested for prior years and that we add staff appreciation as an allowable food expense for up to 3 times per year, in recognition of achievements and excellent service. Funds not expended remain in the General Fund.

Michael Carn asked for the assurance the use of funds for staff appreciation did not conflict with state rules. Ms. Daniels stated there is no conflict.

On a motion by Gary Arenson, seconded by Frank Horkey the Audit Committee unanimously approved \$23,500 to be used for food and beverage purchases including its use for staff appreciation.

REPORTS

1. General Fund Balance

On 06/30/20 the General Fund balance was \$644,985. Since then, we have realized revenues of \$245,947 and expenditures of \$151,446 resulting in a balance of \$739,486 as of 12/31/20.

Carol Hylton stated the report was reformatted to give a clearer picture of how the various funds are set up in the General Fund. The report now includes three charts, addressing General Fund Set Asides, Building Depreciation, Projected Expenditures, and Actual Revenues and Expenditures.

Rochelle Daniels explained the mortgage is a 20 year mortgage and depreciation was calculated on a straight line basis over 25 years. We collect depreciation from the grants and will continue to collect depreciation several years past the length of the loan. This will repay the General Fund for the cost of the renovations and investment into the building. We are accounting for the depreciation separate from the Expenditure and Revenue chart to ensure there is enough money set aside to pay for the mortgage principal.

Frank Horkey made a comment regarding the General Fund Memo Chart 3. He stated that the \$106,000 was for a 12 month period but the report covered a 6 month period. Mr. Horkey requested a change in the periods for consistency. Mr. Horkey also asked if the emergency set aside was approved by the elected officials. Ms. Hylton responded yes.

Mr. Horkey asked if the depreciation set aside could also be noted and approved by the elected officials so it is formally documented. Gary Arenson said we should add a note to indicate that the depreciation set aside is not available for expenditure for other things.

Mr. Horkey recommended the depreciation set aside amount be an action item for the elected officials. He also suggested the term "set aside" be changed to "reserves" and he recommended reserves be made for these amounts in the General Fund so they are not allocated elsewhere.

2. Budget vs Expenditure Report

The Budget vs. Expenditure Report indicates that we are on target to meet all planned expenditures in our various funding streams with initiatives in place for the WIOA Youth and Veteran's funding streams to assure their expenditure. In the WIOA Youth funding stream we are seeing an increase in work experience participation since last quarter and we plan to add technological tools to assist Veterans as well as increasing job fairs for them to connect them to work, as businesses return to normal. Michael Carn stated the plan to add technological tools to assist veterans is a great idea.

3. Cherry Bekaert LLP Fiscal Monitoring Report #1 PY 2020-2021 Issued 12/20

Cherry Bekaert conducted fiscal monitoring for the period 7/1/20 through 9/30/20. Cherry Bekaert reviewed a total of 870 elements during the review period. There were no findings or observations which is an error rate of 0%.

Mr. Bob Swindell congratulated Carol Hylton on the no findings report.

Frank Horkey stated it was wonderful out of 870 reviewed elements there was a 0% error rate.

4. Taylor Hall Miller Parker P.A. (THMP) Program Monitoring Report #3 PY 19-20 Issued 10/20

THMP conducted program monitoring for the period 4/2/20 through 7/30/20. They reviewed a total of 172 files consisting of 7,480 elements. There were 7 findings and 11 observations. The findings equate to a .09% error rate (less than 1%). All findings and observations were corrected except where cases were closed and no further action could be taken.

Gary congratulated Carol and the staff on their great work that resulted in these positive monitoring reports.

MATTERS FROM THE AUDIT COMMITTEE

None

MATTERS FROM THE FLOOR

None

MATTERS FROM THE PRESIDENT/CEO

None

ADJOURNMENT: 11:59 a.m.