

2020-21 Financial Compliance Monitoring Report

CareerSource Florida

Bureau of Financial Monitoring and Accountability
Florida Department of Economic Opportunity

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Period Reviewed: April 1, 2020 – March 31, 2021

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I. INTRODUCTION AND MONITORING APPROACH

The Department of Economic Opportunity (DEO) must perform annual monitoring of its subrecipients, as required by:

- Workforce Innovation and Opportunity Act (WIOA), Section 184
- 31 USC 7502(f)(2)(B), Single Audit Act Amendments of 1996, (Pub. L.104-156)
- 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 20 CFR 667, Administrative Provisions Under Title I of the Workforce Investment Act
- Federal granting agency regulations, including:
 - 29 CFR 95.21 and 97.20, Standards for financial management systems
 - 29 CFR 95.51 and 97.40, Monitoring and reporting program performance

The DEO, Bureau of Financial Monitoring and Accountability (FMA) uses its financial monitoring tool (tool) as a guide to conduct the monitoring. The tool was developed to provide the framework for monitoring activities performed by FMA as well as the criteria used to monitor. This tool was provided to CareerSource Florida (CSF).

The sample size and selections for each tool objective was based on, but not limited to, a risk assessment performed by FMA and reviews of the monthly general ledger and cost allocation statistics. The risk assessment includes factors such as the funding allocation to CSF; results of prior monitoring and audit reports; personnel and staffing changes; and organizational structure. Sample selections assist the monitors in the following:

- Gaining an understanding of the financial management systems processes and assess whether the policies and procedures provide for accurate, current, and complete disclosure of the financial results of each grant program.
- Gaining and understanding of the internal control processes assuring whether the internal controls reasonably assure compliance with federal laws, regulations, and program compliance requirements.
- Determining if the required reconciliations between the financial records and DEO's Subrecipient Enterprise Resource Application (SERA) are appropriately performed on a timely basis and adequately documented.

- Determining if the cost allocations are accurate, supported, and consistent with the cost allocation plan.
- Determining if payroll records are properly maintained for employees; if Personnel Activity Reports (PAR) comply with applicable cost principles and verify that salary and benefit costs are charged/allocated to funding sources in accordance with the PAR and the cost allocation plan.
- Determining if salary and bonuses paid to employees and charged to grant programs subject to the Salary and Bonus Cap do not exceed the Salary and Bonus Cap for the calendar year.
- Determining if purchasing/procurement transactions comply with appropriate federal and state procurement laws and the organization's procurement policies.
- Determining if the contracting process and contract monitoring comply with federal and state requirements, and the organization's contracting policies.
- Determining if the subawarding and subrecipient monitoring activities comply with federal requirements and the organization's policies and procedures.
- Determining if property management activities comply with federal requirements and the organization's policies and procedures.
- Determining if non-payroll related disbursements are reasonable, necessary, allocable and properly recorded in the financial records.

This report was prepared at the conclusion of the DEO's financial monitoring activities performed for CSF, which included a desk audit for the 2020 – 2021 monitoring period due to Covid-19.

The FMA monitoring team assigned to CFS consisted of Chadwick Myrick.

II. ENTRANCE / EXIT CONFERENCE

Entrance Conference

An entrance conference was conducted August 2, 2021 with Josh Booth, Accounting Director. The purpose of the entrance conference was to introduce the financial monitors and discuss the purpose of the financial monitoring.

Exit Conference

An exit conference was conducted by Chadwick Myrick via a Microsoft Teams meeting on September 22, 2021 with Andrew Collins, COO/CFO, Josh Booth, Accounting Director, and Violet Sharpe, Director of Contracts & Office Services. A summary of any issues was provided.

III. MONITORING RESULTS

FMA performed financial monitoring procedures based on the DEO 2020-21 Financial Monitoring Tool. The monitoring procedures performed included tests of transaction details, file inspections, and inquiries (1) to determine the status of recommendations from the prior year monitoring visit(s) and (2) to adequately support current year findings, other non-compliance issues and observations.

Summarized below are the results of testing by category as detailed in the DEO 2020-21 Financial Monitoring Tool:

2019-20 Monitoring Results				
Category	Repeat of Prior Year	Reference(s)		
1.0 – Prior Year Corrective Action Follow-Up	No	Observation #CSF-20-01 Technical Assistance# CSF-20-01		
Category	Findings	Issues of Non-Compliance	Observations	Technical Assistance Provided
2.0 – Financial Management Systems	-	-	-	-
3.0 – Internal Control Environment	-	-	-	-
4.0 – Cash Management and Revenue Recognition	-	-	-	-
5.0 – SERA Reporting and Reconciliation	-	-	-	-
6.0 – General Ledger and Cost Allocations	-	-	-	-
7.0 – Payroll and Personnel Activity Report (PAR) Testing	-	-	-	-
8.0 – Salary and Bonus Cap	-	-	-	-
9.0 – Purchasing	-	-	-	-
10.0 – Contracting / Contract Monitoring	-	-	-	-
11.0 – Property Management	-	-	-	-
12.0 – Disbursement Testing	-	-	-	-
TOTAL	-	-	-	-

Definitions

Findings – Lack of compliance with federal or state laws, rules and regulations, administrative codes, or state guidance that may result in disallowed costs or impact the integrity of program operations.

Findings are expected to be responded to in the corrective action plan (CAP).

Non-Compliance – Lack of compliance with federal or state laws, rules and regulations, administrative codes, or state guidance but may not result in disallowed costs or do not impact the integrity of program operations. Issues of Non-Compliance are expected to be responded to in the CAP.

Observations – Informative statements or constructive comments to improve the delivery of services and to help ensure continued fiscal integrity of CSF. Observations are not expected to be responded to in the CAP.

Technical Assistance – Assistance provided by our team to the staff of CSF.

IV. FINDINGS

There were no findings during the monitoring period of April 1, 2020 – March 31, 2021.

V. OTHER NON-COMPLIANCE ISSUES

There were no other non-compliance issues during the monitoring period of April 1, 2020 – March 31, 2021.

VI. OBSERVATIONS

There were no observations during the monitoring period of April 1, 2020 – March 31, 2021.

VII. TECHNICAL ASSISTANCE

No technical assistance was provided during the monitoring period of April 1, 2020 – March 31, 2021