

# **2021-2022 Financial Compliance Monitoring Report CareerSource Florida**

**Bureau of Financial Monitoring and Accountability  
Florida Department of Economic Opportunity**

*December 28, 2022*

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Period Reviewed: April 1, 2021 – March 31, 2022

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# I. INTRODUCTION AND MONITORING APPROACH

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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 a risk assessment performed by FMA and reviews of the monthly general ledger and cost allocation statistics. The risk assessment included 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 2021 – 2022 monitoring period.

The FMA monitoring team assigned to CFS consisted of Jessica Showalter, Chadwick Myrick, and Yvette McCullough, CPA.

## II. MONITORING RESULTS

FMA performed financial monitoring procedures based on the DEO 2021-2022 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.

Based on the results of testing by category as detailed in the DEO 2021-2022 Financial Monitoring Tool below, FMA did not identify any Findings, Issues of Non-Compliance, Observations, or need for Technical Assistance with respect to CSF financial activities during the monitoring period of April 1, 2021 through March 31, 2022.

2021-22 Monitoring Results				
Category	Repeat of Prior Year	Reference(s)		
1.0 – Prior Year Corrective Action Follow-Up	-			
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	-	-	-	-
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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.

### **III. ENTRANCE / EXIT CONFERENCE**

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#### **Entrance Conference**

An entrance conference was conducted by Yvette McCullough via Microsoft Teams on August 22, 2022, with Andrew Collins (Chief Operating & Financial Officer), Josh Booth (Accounting Director), and Violet Sharpe (Director of Contracts and Office Services). 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 Valerie Peacock and Yvette McCullough via a Microsoft Teams meeting on December 28, 2022, with Andrew Collins and Josh Booth. A summary of the results was provided.