

October 23, 2014

Mr. David W. Martin
Auditor General
State of Florida
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

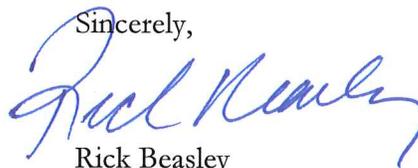
Thank you for your October 7, 2014 communication requesting that South Florida Workforce Investment Board (SFWIB) d/b/a CareerSource South Florida (CSSF) submit the Joint Legislative Auditing Committee with the status of corrective actions the agency has taken in response to **Auditor General Report 2014-120**.

As requested, we have attached the final corrective action plan. As you will note, we have implemented all the corrective actions proposed in the preliminary action plan.

We appreciate the time you devoted to this audit, and we thank you and your staff for the effort and professionalism demonstrated during the audit.

Please feel free to contact me at (305) 594-7615, extension 369, should you have any questions.

Sincerely,



Rick Beasley
Executive Director
South Florida Workforce Investment Board
d/b/a CareerSource South Florida

Attachment

info@careersourcesfl.com

7300 Corporate Center Drive, Suite 500
Miami, Florida 33126

p: 305-594-7615 | f: 305-470-5629



**SOUTH FLORIDA WORKFORCE INVESTMENT BOARD
MANAGEMENT RESPONSES TO PRELIMINARY AND TENTATIVE AUDIT FINDINGS AND
RECOMMENDATIONS TO THE OPERATIONAL AUDIT OF THE SOUTH FLORIDA WORKFORCE
INVESTMENT BOARD FOR THE PROGRAM YEAR ENDED JUNE 30, 2013**

Finding No. 1- Contractual Agreements

The SFWIB needed to enhance its procedures to ensure for the timely execution of contractual agreements with its training vendors.

Management Response: Management is in agreement with the recommendation of enhance procedures to ensure contracts are executed in a timely manner. At the beginning of program year 2013-2014 (July 1, 2014), the SFWIB had already implemented a fiscal procedure not pay Training Vendors until a contract has been executed.

Status of Corrective Actions -- 10/17/2014: Corrective actions have been implemented.

Finding No. 2 –Monitoring of Insurance for Contracts and Training Vendors

The insurance coverage maintained by private contractors and training vendors did not always comply with the requirements of the contract agreements.

Management Response: Management agrees with the Auditor General recommendation to establish procedures to ensure that contractors maintain insurance coverage during the term of the contract. The SFWIB has developed and implemented procedures to ensure proper insurance coverage. A copy of the new and enhanced procedures is attached.

Status of Corrective Actions -- 10/17/2014: Corrective actions have been implemented.

Finding No. 3- Overstatement of Reported ITA Expenditures

The SFWIB overstated program expenditures reported to the Florida Department of Economic Opportunity.

Management Response: Although SFWIB management agrees that the reported ITA expenditures were originally reported incorrectly, it must be pointed out that the overstatement was a result of an expenditure accrual that was recommended by the Audit Committee of the SFWIB and initially agreed to by the SFWIB fiscal auditors. The expenditure accrual was booked in order to account for expenditure obligations for training services that had been procured and started prior to the end of the fiscal year 2012-13 on June 30, 2013.

Upon their arrival, SFWIB provided the external auditors with all the supporting documentation and analysis used to calculate the expenditure accrual. Following an Initial review, the auditors stated they were in agreement with the accrual and thus SFWIB reported ITA expenditures to the State as such.

Later and upon further in depth analysis of the entry, the external auditors determined that the accrual should only have included a portion of the obligations. The auditors reasoned that since SFWIB's policy states that the second and final payment for training services only becomes due and payable after the training participant has completed 14 training sessions. Accordingly, only those expenditure obligations for participant completing 14 or more sessions should have been accrued.

Due to time constraints for issuing the final audit report, SFWIB found it in its best interest to reverse the entire accrual entry and inform the Department of Economic Opportunity of the State of Florida of the decision and re-report expenditures based on the reversal.

Status of Corrective Actions -- 10/17/2014: Corrective actions have been implemented.

Finding No. 4- Sunshine Law Compliance

The SFWIB procedures did not always ensure that minutes for meetings were available for public inspection and approved timely.

Management Response: Management agrees with the recommendation. As explained in the body of the report, SFWIB current procedure is to post meeting minutes after formal approval at follow-up meetings. The minutes that had not been posted at the time of the audit were mostly for meetings for which no follow-up meeting had been held, however, the minutes were available upon request. As recommended by the Auditor General, SFWIB has enhanced its procedures to require that meeting minutes be posted within 45 days following the meeting, regardless of whether or not the minutes have been approved. In those situations where un-approved meeting minutes are posted, they will be clearly marked as "Draft Pending Approval".

Status of Corrective Actions -- 10/17/2014: Corrective actions have been implemented.