



Thursday, December 13, 2018, 11:00 AM
9215 N. Florida Ave., Ste. 101, Tampa, FL

Joint Executive/CEO Search Committee Agenda

- I. **Welcome and Introductions**Sean Butler, Chair
- II. **Public Comments**
- III. **Action/Discussion Items**
 - 1. Approval of Minutes: October 18, 2018 Executive Committee Page 2
 - 2. Approval of Minutes: October 18, 2018 CEO Search Committee Page 5
 - 3. Section 125 Cafeteria Plan Benefits Stipend & Compensation Study.....
..... S. West, M. Tran, S. Doyle, Page 7
- IV. **Information Item**
 - 1. Internal Control Questionnaire S. Butler, J. Dorcy, A. Munro, Page 10
- V. **Chair’s Report**..... Sean Butler
- VI. **Interim Director’s Report**.....Juditte Dorcy
- VII. **CEO Finalists**.....T. Morrow
- VIII. **Future Business**
- IX. **Adjournment**

Next Executive Committee Meeting February 21, 2019



CareerSource Tampa Bay Minutes of October 18, 2018 Executive Committee Meeting

Date: October 18, 2018, 11:00 a.m.

Location: CareerSource Tampa Bay Center, 9215 N. Florida Ave., Ste. 101, Tampa, FL

Call to Order

Chair Sean Butler called the meeting to order at 11:00 a.m. There was a quorum present with the following Executive Committee members participating.

Members in attendance

Sean Butler, Ginger Clark, Randall King, Commissioner Sandra Murman, Mike Smith, Jeffrey Serpico, Roy Sweatman, Sophia West

Other Board Member in attendance

Michael Bach

Staff Present

Juditte Dorcy, Anna Munro, Jody Toner, Mimi Tran, Mai Russell, Brandon Pham

Board Counsel

Charley Harris

BOCC Liaison/Representatives

Kenneth Jones, Ron Barton

Guest

Teri Morrow, Nathan Dundes, Kristyn Brendle

The items are listed in the order of discussion.

▶ Indicates committee action

Public Comments

There was none.

Approval of Minutes

▶ August 16, 2018 Executive Committee Meeting

A motion to approve the minutes of August 16, 2018 Executive Committee Meeting was made by Roy Sweatman and seconded by Jeff Serpico. The motion passed unanimously.

▶ August 27, 2018 Special Executive Committee Meeting

A motion to approve the minutes of August 27, 2018 Executive Committee Meeting was made by Mike Smith and seconded by Ginger Clark. The motion passed unanimously.

▶ October 1, 2018 CEO Search Committee Meeting

A motion to approve the minutes of October 1, 2018 Executive Committee Meeting was made by Jeff Serpico and seconded by Mike Smith. The motion passed unanimously.

▶ October 3, 2018 Executive Committee Meeting

A motion to approve the minutes of October 3, 2018 Executive Committee Meeting was made by Ginger Clark and seconded by Commissioner Sandra Murman. The motion passed unanimously.

Chair's Report

- On Nov 7th, a hiring event dedicated for Veterans will be held here from 10 a.m. to 1 p.m. We are still recruiting for hiring employers. So, if you know of anyone, please let Juditte know.

Board Counsel’s Report

- A date of October 25th has been confirmed for the representatives from FBI & US Attorney’s office to hear the presentation from the Feb 9th Joint Ad Hoc meeting of CareerSource Tampa Bay and CareerSource Pinellas. He added representatives from DOL will be in attendance.

► **Provide documentations**

Chairman Butler added we will be open and transparent. The following motion was made by Commissioner Sandra Murman and seconded by Roy Sweatman: **To provide all documentation needed by the federal authority.** The motion passed unanimously.

Interim Executive Director’s Report

- Representatives from DEO and DOL [Employment & Training Administration] will be on site beginning October 29th thru November 14th to review operations, review job placement of participants to include participant file reviews, and interview employers with top five job placements, staff, and participants may be requested.
- CareerSource Florida has issued a statement on October 5th. In that statement, the Board of Directors approved CareerSource Florida Ethics and Transparency Policy which requires local workforce boards to create and enforce similar policies for their region.
- An executive order has been issued to assist evacuees who were displaced by Hurricane Michael.

The Executive Committee meeting adjourned at approximately 11:25 a.m. All staff members left the meeting. The CEO Search Committee convened.

The Executive Committee meeting reconvened at approximately 11:55 a.m. All staff members returned to the meeting at that time.

Action Items

► **Legal Services**

Chairman Butler spoke on this item. In light of the recent development, there was a consensus to retain Charley Harris [Trenam Law] thru the investigation. **A motion to retain [Trenam Law Firm] as Board Counsel] thru the investigation and thru the transition** was made by Commissioner Sandra Murman and seconded by Randall King. The motion passed unanimously.

► **Medical, Dental, & Vision Renewals effective Jan 1, 2019**

Refer to page 17 of the October 18th Executive Committee meeting agenda packet.

HR Consultant Morrow reported of 0% premium rate increase for employees medical, dental, and vision plan. **A motion to approve renewing Cigna’s Medical, Dental, & Vision benefits plan for calendar year 2019** was made by Randall King and seconded by Jeff Serpico. The motion passed unanimously.

► **Lease Agreement: Plant City**

Refer to page 13 of the October 18th Executive Committee meeting agenda packet.

A motion to enter into license agreement with Hillsborough County for space at the Plant City Community Resource Center was made by Commissioner Sandra Murman and seconded by Mike Smith. The motion passed unanimously.

► **Eligible Training Provider Policy**

Refer to page 14 of the October 18th Executive Committee meeting agenda packet.

The following motion was made by Jeff Serpico and seconded by Commissioner Sandra Murman: **The following criteria be added to the local Eligible Training Providers Policy effective immediately. All pending and subsequent applications received will be required to meet the new criteria. All current training providers will be required to meet the new policy effective July 1, 2019. Staff is to notify training providers of this new policy and begin tracking performance to establish benchmark effective immediately.** The motion passed unanimously.

Region	Criteria <small>Yellow highlight denotes new criteria</small>	Training Duration	Individual Training Account Cap	Performance Measures LWDB Participants
CareerSource Tampa Bay	<ul style="list-style-type: none"> • CSF Minimum criteria 	Up to 2 years	\$5,000 per Program Year	Maintain 80% Entered Employment Rate

	<ul style="list-style-type: none"> • In business in FL for minimum of 2 years • Limit new training providers/new training programs to a maximum of 12 enrollments until performance is established* • Limit training programs to those with a minimum entry level wage rate of \$14.63 per hour* (based on annual regionally adjusted wage rate) 		<p>Max \$10,000 up to 2 Program Years</p>	<p>70% Completion Rate per Training Program*</p> <p>70% Job Placement Rate*</p>
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Workforce Development Consultants/Strategist

Interim Executive Director Dorcy directed members' attention to a listing of consultants provided as a handout. Upon review, there was a consensus that this matter be revisited after the incoming CEO has been placed.

Adjournment

The meeting was adjourned at approximately 12:35 p.m.

DR

**CareerSource Tampa Bay
CEO Search Committee Meeting**

Date: October 18, 2018, 11:25 a.m.

Location: CareerSource Tampa Bay, 9215 N. Florida Ave, Ste 101, Tampa, FL

Call to Order:

Chair Sean Butler convened the CEO Search Committee meeting at 11:25 a.m. There was a quorum present with the following Committee Members participating.

CEO Search Committee Members:

Sean Butler, Ginger Clark, Randall King, Commissioner Sandra Murman, Jeffrey Serpico, Michael Smith, Roy Sweatman, Sophia West

CSTB Board Member:

Michael Bach

Board Counsel:

Attorney Charley Harris

CSTB Staff:

No staff were present for this meeting.

BOCC Liaison/Representatives:

Ron Barton, Ken Jones

Guests:

Kristyn Brendle, Nathan Dundes, Teri Morrow

CEO Search

Chair Butler introduced Teri Morrow of My Benefit Partners. This firm has been retained as an HR Consultant to manage the CEO Search process.

Teri introduced herself and her staff (Kristyn Brendle, Nathan Dundes) then gave a summary of the CEO search process: 314 applications were received, 43 candidates were identified as most qualified to receive a phone interview and an evaluation score. Applications of the 15 highest scored candidates were placed in a Dropbox folder for review by each committee member. After review, each committee member forwarded their top choices to Teri for compilation. A handout of these compiled choices was given to each committee member.

Chair Butler commented that one of the listed candidates (Rocco Tricarico) was a finalist for the CareerSource Pinellas CEO position but recently withdrew from further consideration for that position. He asked if this person is still a candidate for our position?

Teri Morrow replied that she contacted the candidate to ask his continued interest but did not speak to him. She left a message and has not heard from him. She added that we should assume he is still a candidate.

Attorney Charley Harris mentioned that the candidate's withdrawal letter from the CareerSource Pinellas CEO position stated that he was concerned about the investigations. Charley added that this candidate should still be considered for this position.

After discussion, committee members identified the following six candidates to invite for interview (alphabetical order): Juditte Dorcy, John Flanagan, Patrick Graham, Charles Kolb, Rocco Tricarico, Frank Wuco.

After discussion it was agreed that these will be in-person interviews with the entire CEO Search Committee.

Teri Morrow mentioned that candidates can complete the Prove It and personality assessments while they are here for their interviews. She added that because the Committee is requiring in-person interviews some candidates may request travel expenses.

Attorney Charley Harris stated that the agency may be able to use unrestricted funds to cover candidate travel expenses. He will contact DEO for guidance. Charley added that the assessments may be public information and recommended disclosure to the candidates that their results may become public record.

After discussion it was agreed that assessments will only be done for the top two final candidates.

Chair Butler stated that staff will work with Committee members to schedule interview dates with the top candidates and requested that Board Counsel participate in all interviews. Attorney Charley Harris responded that he will do so.

Teri Morrow presented proposed interview questions for the committee to ask each candidate. After discussion committee members agreed on the proposed questions and suggested some additional questions.

It was discussed and agreed that interviews will be 50 minutes in length with 10 minutes between each scheduled interview to allow for discussion. There will be three interviews per day over two days. These interviews will be held at CSTB's North Florida Avenue location.

Teri Morrow stated that the finalized questions and a score card will be provided to each committee member. She added that each candidate should be asked the same questions in the same order and that committee members will be briefed on questions that are illegal to ask.

After discussion, it was agreed that the top two candidates will be presented to and interviewed by the full CSTB Board of Directors at the December Board meeting.

Adjournment

Chair Sean Butler ended the CEO Search Committee meeting at 11:50 a.m. and reconvened the Executive Committee meeting.



Action Item

Section 125 Cafeteria Plan Benefits Stipend & Compensation Audit/Study

Background

CareerSource Tampa Bay currently has a cafeteria style plan that offers full-time employees the flexibility to select the benefits that best meets their needs.

A cafeteria style plan allows CareerSource Tampa Bay to offer a customized benefits and employees appreciate the flexibility which in turn encourages them to stay loyal to the company. Among the personal choices that the employee can make are health care plans (choices in types and amount of coverage) wellness program plans, dependent benefits, and short-term & long-term care plans.

The salary dollars employees direct to a Section 125 Benefit Plan can reduce employer payroll tax costs, as those dollars are not subject to the employer Social Security contribution. In addition, lowering payroll can result in reduced federal and/or state unemployment tax contributions and workers' compensation premiums.

The *Affordable Care Act (ACA)* mandates the coverage is affordable when an employee has to pay no more than 9.86% of their household income for self-only coverage in 2019.

In order to meet the ACA guidelines, CareerSource Tampa Bay should provide a 28% benefit stipend for each employee to use for various benefit options offered in the plan, including the high deductible health insurance.

Per legal advice, CareerSource Tampa Bay will allocate the employee portion per month from the 28% stipend as payment for Medical Benefit Stipend. The remaining amount will be allocated as a Regular Stipend to offset any other benefit costs.

On December 6th, the Finance Committee members approved the cafeteria plan & the benefit stipend of 28%, as presented, with a caveat that a compensation audit/study is conducted prior to the next approval.

Recommendation:

The Finance Committee is recommending approval of the cafeteria plan & the benefit stipend at 28% as presented, with a caveat that a compensation audit/study is conducted prior to open enrollment for 2020.

The Finance Committee is recommending approval to proceed with a Request for Proposal process for a compensation audit & study, including forming an ad hoc compensation committee.



BERRY LAW, P.A.

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MEMORANDUM

TO: Mimi Tran, CareerSource of Tampa Bay

CC: Richard Hanchett, Trenam Law

FROM: Carl Berry, Berry Law, P.A.

DATE: December 4, 2018

SUBJECT: Employee Welfare Benefit Stipends; Eligible Opt-Out Arrangement

You asked me to provide advice concerning a proposed payroll practice (referred to as a stipend) whereby CareerSource of Tampa Bay (“CS”) would offer employees the choice between an amount of cash compensation or certain welfare benefits (i.e. those benefits subject to purchase by employees under CS’s cafeteria plan, including health and other insurance coverages). As we discussed, some of this money would be separately designated and useable only for the purchase of health insurance coverage. With respect to offered money that could be received or used only for the purchase of health insurance, employees would be able to forgo health insurance coverage and receive the cash payment, but with the following conditions and requirements:

(1) the right to receive any payment will be conditioned upon the applicable employees declining to enroll in the CS health plan,

(2) employees opting out of health coverage would be required at least annually¹ to provide reasonable evidence of other minimum essential health coverage for, in each case, the employee and his or her family (besides individual coverage obtained within or outside an exchange in the marketplace), and failing to meet this requirement payment would not be made, and

(3) CS must not know or have reason to know that the employee or anyone in the employee’s family does not have alternate coverage, or else payment will not be made.

Other parts of the stipend (i.e. not available for purchase of health benefits) could either be used to purchase other benefits besides health insurance coverage under the CS cafeteria plan, or simply received as additional wages.

¹ It is recommended that this occur each year during open enrollment, as the regulations require this to occur a reasonable period of time before coverage would begin.

Under proposed Treasury Regulations, the health specific portion of the arrangement described above would appear to be an “eligible opt-out arrangement.” The requirements for such an arrangement are substantively the same as the conditions described in points (1) through (3) above. The implication of having an eligible opt-out arrangement is that the amounts of money applied by an employee to purchase health coverage should not be considered to be an employee contribution in calculating whether the health coverage is affordable under the Patient Protection and Affordable Care Act of 2010 (“ACA”). This will tend to facilitate your health plan passing the affordability test under ACA.

If the health specific portion of the arrangement does not in practice constitute a “eligible opt-out arrangement” then as a general proposition any amount applied by an employee to purchase health coverage would be viewed as paid by the employee and not the employer for purposes of the affordability test. This would tend to make it more difficult for CS to pass the affordability test. Thus, it is imperative to make sure that the arrangement at all times qualifies as an eligible opt-out arrangement.

The remainder of any stipend potentially receivable by an employee (i.e. the portion that could be used to purchase benefits other than health insurance) should be accounted for and treated separately. However, there is no planning concern similar to the health-specific arrangement described above.

Elections with respect to both the health-specific stipend and the general stipend should be made within the rules, including timing rules, of CS’s cafeteria plan in order to avoid purchased welfare benefits from being included in employees’ wages. Obviously, any cash paid to an employee in lieu of benefits will be considered wages and subject to appropriate reporting and withholding.

My advice is limited solely to ERISA and federal tax issues. Richard should be consulted with to assess any labor law issues raised by these arrangements, including how to look at stipends in light of the wage and hour laws.

If it would be helpful to discuss these issues further, please let me know.

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Information Item Internal Control Questionnaire

Background

The Internal Control Questionnaire and Assessment (ICQ) was developed by the Department of Economic Opportunity (DEO), Bureau of Financial Monitoring and Accountability, as a self-assessment tool to help evaluate whether a system of sound internal control exists within the Local Workforce Development Board (LWDB). The self-assessment ratings and responses should reflect the controls in place or identify areas where additional or compensating controls could be enhanced. Ratings are on a scale of 1 to 5, with “1” indicating the greatest need for improvements in internal controls and “5” indicating that a strong system of internal controls already exists. The number that best describes the LWDB’s current operating environment is to be selected.

2018-19 Internal Control Questionnaire and Assessment

Bureau of Financial Monitoring and Accountability
Florida Department of Economic Opportunity

September 14, 2018

107 East Madison Street
Caldwell Building
Tallahassee, Florida 32399
www.floridajobs.org

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OVERVIEW

Introduction and Purpose

The Internal Control Questionnaire and Assessment (ICQ) was developed by the Department of Economic Opportunity (DEO), Bureau of Financial Monitoring and Accountability, as a self-assessment tool to help evaluate whether a system of sound internal control exists within the Local Workforce Development Board (LWDB). An effective system of internal control provides reasonable assurance that management's goals are being properly pursued. Each LWDB's management team sets the tone and has ultimate responsibility for a strong system of internal controls.

The self-assessment ratings and responses should reflect the controls in place or identify areas where additional or compensating controls could be enhanced. When the questionnaire and the certification are complete, submit them to DEO by uploading to SharePoint.

Definition and Objectives of Internal Controls

Internal control is a process, effected by an entity's board of directors, management and other personnel, designed to provide "reasonable assurance" regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

The concept of reasonable assurance implies the internal control system for any entity, will offer a reasonable level of assurance that operating objectives can be achieved.

Need for Internal Controls

Internal controls help to ensure the direction, policies, procedures, and practices designed and approved by management and the governing board are put in place and are functioning as designed/desired. Internal controls should be designed to achieve the objectives and adequately safeguard assets from loss or

unauthorized use or disposition, and to provide assurance that assets are used solely for authorized purposes in compliance with Federal laws, regulations, and program compliance requirements. Additionally, Title 2, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, § 200.303 Internal controls, states:

The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- (b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
- (c) Evaluate and monitor the non-Federal entity's compliance with statute, regulations and the terms and conditions of Federal awards.
- (d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- (e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.

What Internal Controls Cannot Do

As important as an internal control system is to an organization, an effective system will not guarantee an organization's success. Effective internal controls can keep the right people, such as management and the governing board members, informed about the organization's operations and progress toward goals and objectives. However, these controls cannot protect against economic downturns or make an understaffed entity operate at full capacity. Internal controls can only provide reasonable, but not absolute, assurance the entity's objectives can be met. Due to limitations inherent to all internal controls systems, breakdowns in the internal control system may be caused by a simple error or mistake, or by faulty judgments made at any

level of management. In addition, controls may be circumvented by collusion or by management override. The design of the internal controls system is dependent upon the resources available, which means there must be a cost-benefit analysis performed as part of designing the internal control system.

Five Components of Internal Control

- **Control Environment** – is the set of standards, processes, and structures that provide the basis for carrying out internal controls across the organization. The board of directors and senior management establish the tone at the top regarding the importance of internal controls and expected standards of conduct.
- **Risk Assessment** – involves a dynamic and iterative process for identifying and analyzing risks to achieving the entity’s objectives, forming a basis for determining how risks should be managed. Management considers possible changes in the external environment and within its own business model that may impede its ability to achieve objectives.
- **Control Activities** – are the actions established by policies and procedures to help ensure that management directives mitigate risks so the achievement of objectives are carried out. Control activities are performed at all levels of the entity and at various stages within business processes, and over the technology environment.
- **Information and Communication** – are necessary for the entity to carry out internal control responsibilities in support of achievement of its objectives. Communication occurs both internally and externally and provides the **organization** with the information needed to carry out day-to-day internal control activities. Communication enables personnel to understand internal control responsibilities and their importance to the achievement of objectives.
- **Monitoring** – are ongoing evaluations, separate evaluations, or some combination of the two used to ascertain whether the components of internal controls, including controls to affect the principles within each component, are present and functioning. Findings are evaluated and deficiencies are communicated in a timely manner, with serious matters reported to senior management and to the board of directors.

Makeup of the ICQ

Subsequent sections of this document emphasize the “17 Principles” of internal controls developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and presented in the

Internal Controls – Integrated Framework. The five components of internal controls listed above are fundamentally the same as the five standards of internal controls and reflect the same concepts the “Standards for Internal Control in the Federal Government” utilizes.

The principles are reflected in groupings of questions related to major areas of control focus within the organization. Each question represents an element or characteristic of control that is or can be used to promote the assurance that operations are executed as management intended.

It should be noted that entities may have adequate internal controls even though some or all of the listed characteristics are not present. Entities could have other appropriate internal controls operating effectively that are not included here. The entity will need to exercise judgment in determining the most appropriate and cost effective internal controls in any given environment or circumstance to provide reasonable assurance for compliance with Federal program requirements.

Completing the Document

On a scale of 1 to 5, with “1” indicating the greatest need for improvements in internal controls and “5” indicating that a strong system of internal controls already exists, select the number that best describes your current operating environment. Please provide details in the comments/explanations column for each statement with a score of 1 or 2. **For questions requiring a narrative, please provide in the comments/explanations column.**

Certification of Self-Assessment of Internal Controls

Attachment A, includes a certification which should be completed and signed by the Executive Director, reviewed and signed by the Board Chair or their designee and uploaded to SharePoint.

CONTROL ENVIRONMENT

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
Principle 1. The organization demonstrates a commitment to integrity and ethical values.							
1.	The LWDB's management and board of directors' commitment to integrity and ethical behavior is consistently and effectively communicated throughout the LWDB, both in words and deeds.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2.	The LWDB has a code of conduct and/or ethics policy that has been communicated to all staff, board members, and outsourced service providers. Provide policy/policy number(s) and page number(s) that address the statement made above.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.	When the LWDB hires employees from outside of the organization the person is trained or made aware of the importance of high ethics and sound internal controls.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Principle 2. The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal controls.							
4.	The board of directors define, maintain, and periodically evaluate the skills and expertise needed among its members to enable them to question and scrutinize management's activities and present alternate views.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5.	The board of directors and/or audit committee maintains a direct line of communication with the board's external auditors and internal monitors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6.	The board of directors establishes the expectations and evaluates the performance of the chief executive officer or equivalent role.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Principle 3. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.						
7.	Management reviews and modifies the organizational structure of the LWDB in light of anticipated changing conditions or revised priorities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Specific lines of authority and responsibility are established to ensure compliance with federal and state laws and regulations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	The LWDB management understands the importance of internal controls, including the division of responsibility.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Principle 4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.						
10.	The LWDB provides training opportunities or continuing education to develop and retain sufficient and competent personnel. Describe the Specific Training Offered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	The LWDB has succession plans for senior management and contingency plans for assignments of responsibilities important for internal controls.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	For all positions, there are current written job descriptions, reference manuals or other forms of communication to inform personnel of their duties. How Often are Position Descriptions Reviewed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Principle 5. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.						
13.	Policies, processes or directives are in place that ensures employees are aware of their role related to internal control responsibilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14.	The LWDB's structure and tone at the top helps establish and enforce individual accountability for performance of internal control responsibilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
15.	The LWDB has policies, processes and controls in place to evaluate and promote accountability of outsourced service providers (and other business partners) and their internal control responsibilities. Provide policy/policy number(s) and page number(s) that address the statement made above.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

RISK ASSESSMENT

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
Principle 6. The organization specifies with sufficient clarity to enable the identification and assessment of risks relating to objectives.							
16.	Management establishes a materiality threshold for each of its major objectives and identifies risk at each location where the LWDB conducts activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
17.	Management uses operational objectives as a basis for allocating the resources needed to achieve desired operational and financial performance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
18.	The LWDB sets entity-wide financial reporting controls and assesses the risks that those controls will not prevent material misstatements, errors, or omissions in the financial statements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Principle 7. The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.						
19.	Management ensures that risk identification considers internal and external factors and the potential impact on the achievement of objectives. What are three biggest risks affecting the organization, and what mitigating controls are in place?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20.	The LWDB adequately and effectively manages risks to the organization and has designed internal controls in order to mitigate the known risks. What new controls, if any, have been implemented since the prior year and what organizational risks do they mitigate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21.	The LWDB's risk identification/assessment is broad and includes both internal and external business partners and outsourced service providers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Principle 8. The organization considers the potential for fraud in assessing risks to the achievement of objectives.						
22.	The LWDB periodically performs an assessment of its exposure to fraudulent activity and how the operations could be impacted.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23.	The LWDB periodically performs an assessment of each of its operating locations' exposure to fraudulent activity and how the operations could be impacted. When was the last assessment performed, and by whom?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

24.	<p>The LWDB’s assessment of fraud risks considers opportunities for unauthorized acquisition, use and disposal of assets, altering the reporting records, or committing other inappropriate acts.</p> <p>In the comments/explanations section, provide a narrative of the system/process for safeguarding prepaid program items (i.e. gas cards, visa cards) against unauthorized use/distribution.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Principle 9. The organization identifies and assesses changes that could significantly impact the system of internal controls.							
25.	<p>The LWDB has mechanisms in place to identify and react to risks presented by changes in government, regulatory, economic, operating, or other conditions that could affect the achievement of the goals and objectives.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
26.	<p>The most significant risks affecting the LWDB have been identified and controls are designed and implemented that mitigate risks.</p> <p>Identify three of the most significant internal risks that could impact the achievement of objectives.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
27.	<p>Considering the most significant risks, identified above, have controls been designed and implemented that mitigate risks associated with each.</p> <p>In the comments/explanations section, please elaborate on the mitigating controls.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

CONTROL ACTIVITIES

		Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
		Weak		Strong			
		1	2	3	4	5	
Principle 10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.							
28.	Management control activities consider all the relevant business processes, information technology and locations where control activities are needed, including outsourced service providers and other partners.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
29.	Controls employed by the LWDB include authorizations, approvals, comparisons, physical counts, reconciliations and supervisory controls.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
30.	The LWDB periodically (e.g., quarterly, semiannually) reviews system privileges and access controls to the different applications and databases within the IT infrastructure to determine whether system privileges and access controls are appropriate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Principle 11. The organization selects and develops general control activities over technology to support the achievement of objectives.							
31.	Management selects and develops control activities that are designed and implemented to restrict technology access rights to authorized users commensurate with their job responsibilities and to protect the entity's assets from external threats. In the comments/explanations section, provide a narrative of the process of authorizing access for new employees, revoking access for separated employees, and changes to authorized users commensurate with their changes to their job.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

CONTROL ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
	responsibilities.						
32.	Management has identified the appropriate technology controls that address the risks of using applications hosted by third-parties.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
33.	The LWDB has considered the protection of personally identifiable information (PII), as defined in section 501.171(1)(g)1, F.S., of its employees, participants/clients and vendors, and have designed and implemented policies that mitigate the associated risks. Describe how personally identifiable information of program participants is protected and/or redacted.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Principle 12. The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.							
34.	The LWDB has policies and procedures addressing proper segregation of duties between the authorization, custody, and recordkeeping for the following tasks, if applicable: Prepaid Program Items (Participant Support Costs), Cash/Receivables, Equipment, Payables/Disbursements, Procurement/Contracting, and Payroll/Human Resources. For tasks lacking the appropriate segregation of duties describe any compensating controls in place in the comments/explanations section.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
35.	Management periodically performs a review of all policies and procedures to determine their continued relevance, consistency,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

CONTROL ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
	compliance with 2 CFR Part 200 (Uniform Guidance) or other guidance or directives. When did the last in-depth policy review occur; what, if any, policies were updated as a result?						
36.	The LWDB maintains policies and procedures to facilitate the recording and accounting of transactions in compliance with laws, regulations, and provisions of contracts and grant agreements. Provide policy/policy number(s) and page number(s) that address the statement made above.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

INFORMATION AND COMMUNICATION

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
Principle 13. The organization obtains or generates and uses relevant, quality information to support the functioning of internal controls.							
37.	Federal, state, or grant program rules or regulations are reviewed by one or more of the following: governing board, audit, finance or other type committee. How often are these reviewed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

INFORMATION AND COMMUNICATION

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
38.	The LWDB considers both internal and external sources of data when identifying relevant information to use in the operation of internal controls.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
39.	The LWDB's has controls in place to ensure costs are accurately recorded and allocated to the benefiting federal/state fund or grant. In the comments/explanations section, elaborate on the control(s) that ensure costs accurately recorded.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Principle 14. The organization internally communicates information, including objectives and responsibilities for internal controls, necessary to support the functioning of internal controls.							
40.	Communication exists between management and the board of directors so that both have information needed to fulfill their roles with respect to the LWDB's objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
41.	There is a process to quickly disseminate critical information throughout the LWDB when necessary. Provide a description of the dissemination process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
42.	Management has a process for the development, approval and implementation of policy updates and communicates those updates to staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

INFORMATION AND COMMUNICATION

		Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
		Weak		Strong			
		1	2	3	4	5	
Principle 15. The organization communicates with external parties regarding matters affecting the functioning of internal controls.							
43.	The LWDB has a means for anyone to report suspected improprieties regarding fraud; errors in financial reporting, procurement, and contracting; improper use or disposition of equipment; and misrepresentation or false statements. Describe the process of how someone could report improprieties. Who receives/processes/investigates, etc.?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
44.	The LWDB has processes in place to communicate relevant and timely information to external parties.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
45.	The LWDB has processes in place to communicate the results of reports provided by the following external parties: Independent Auditor, DEO Bureau of Financial Monitoring and Accountability (FMA), DEO Bureau of One-Stop and Program Support, DEO Office of Inspector General, Florida Auditor General, and Federal Awarding Agencies (USDOL, USDHHS, and USDA) to the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

MONITORING ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
Principle 16. The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal controls are present and functioning.							
46.	The LWDB periodically evaluates its business processes such as cash management, comparison of budget to actual results, repayment or reprogramming of interest earnings, draw down of funds, procurement, and contracting activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
47.	The LWDB considers the level of staffing, training and skills of people performing the monitoring given the environment and monitoring activities which include observations, inquiries and inspection of source documents.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
48.	LWDB management periodically visits Career Center locations and other decentralized locations (including subrecipients) to determine whether policies and procedures are being followed and functioning as intended. Describe when the most recent visit was performed, by whom, and who were the results communicated to?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

MONITORING ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
Principle 17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.							
49.	The LWDB management takes adequate and timely actions to correct deficiencies reported by the external auditors, financial and programmatic monitoring, or internal reviews.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
50.	The LWDB monitors subrecipients to ensure that federal funds provided are expended only for allowable activities, goods, and services and communicates the monitoring results to the LWDB's board of directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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ATTACHMENT A

Department of Economic Opportunity Certification of Self-Assessment of Internal Controls

Local Workforce Development Board: _____

To be completed by the Executive Director:

A self-assessment of internal controls has been conducted for the fiscal monitoring period, April 1, 2018-March 31, 2019. As part of this self-assessment, the Internal Control Questionnaire developed by the Department of Economic Opportunity has been completed and is available for review.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

To be completed by the Board Chair or their designee:

I have reviewed the self-assessment of internal controls that was conducted for the fiscal monitoring period, April 1, 2018-March 31, 2019.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Please scan and upload to SharePoint an executed copy of this certification on or before October 15, 2018.