



Approved at the June 14, 2018 Audit Meeting
 Early Learning Coalition of Broward County
 Audit Committee Meeting Minutes
 January 11, 2018 – 3:30 p.m.
 6301 NW 5th Way, Suite 3400, Fort Lauderdale, FL 33309

Members in Attendance: Nicholas Kaniaris, Chair; Michael Asseff, via phone; Richard Campillo; Twan Russell

Members Absent: Monica King

Staff in Attendance: Renee Jaffe, CEO; Christine Klima, CAO; Karen Swartzbaugh, Irene Ramos

Others in Attendance: Jacob Jackson, General Counsel

| Item | Action/Discussion | Follow-up |
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| Welcome & Call to Order | Nicholas Kaniaris, Chair, called the meeting to order at 3:35 pm. The Roll Call was conducted and a quorum was established. | |
| Consent Agenda: 1. October 12, 2017 Meeting Minutes 2. November 28, 2017 Meeting Minutes | A Motion was made by Richard Campillo to approve the Consent Agenda, seconded by Twan Russell and unanimously approved . | |

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| <p>Regular Business: Draft Audit Report for FY 2017</p> | <p>The Draft Audit report was presented by Chris Lehman and Tiana Wynn of SB Company via phone. This is the 3rd year that SB Company provided the following work products: the FY 17 Audit, the Florida Single Audit, the June 2017 Financial Statements and preparation of the Federal Form 990.</p> <p>The auditors provided a summary of the audit process and ELC achieved a clean audit with an unmodified opinion with no reportable findings and no material weaknesses. The Single Audit for receipt of federal funds was also clean with no reportable findings and no material weaknesses. Both auditors commended CAO Christine Klima for excellent financial management and noted improved internal controls during this past year. They added that her transparency and accurate assessment of risk helped to streamline the audit process.</p> <p>Recommendations for improvements included segregating duties in the establishment and payment of vendors; documentation of findings for suspension and debarment searches of vendors; and mechanisms to identify capital items and tracking inventory for sub-recipients. CAO Christine Klima added that the segregation of duties was a staff capacity issue and is in the process of being addressed with the addition of an Accounts Payable Specialist and an Office Assistant.</p> <p>Nicholas Kaniaris, Committee Chair, asked whether a call-back process could be added when there is a vendor request for banking information changes. CAO Christine Klima agreed that such a confirmation would add an additional layer of internal protections.</p> <p>Richard Campillo asked why the problems with sub-recipient cost allocations had not been previously identified and was not noted in the audit. The auditors explained that the audit process does not include an audit of sub-recipients and since ELC Management (CAO Christine Klima) had identified the cost allocation errors, it was not a reportable finding.</p> <p>In response to a request by Nicholas Kaniaris, the auditors provided a brief overview of new rule changes effecting not-for-profit organizations including presentation of lease costs, accounting of cash receipts and composition of net assets.</p> <p>There was discussion regarding additional protection of IT functions and the auditors agreed to develop a proposal for conducting an internal control review at a future date.</p> <p>A Motion was made by Twan Russell to accept the audit report as presented. The motion was seconded by Richard Campillo and unanimously approved.</p> | |
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| New Business | <p>1. Christine Klima, CAO, explained that ELC’s capitalization of equipment policies currently use a threshold of \$1,000. With the receipt of substantial equipment from BRHPC, this low threshold presented significant challenges in managing the inventory process. To align ELC policies with the Federal requirement of \$5,000, the auditors have recommended the ELC threshold be increased to \$5,000. OEL has concurred, so this change will be brought back to the Finance Committee when other financial policy revisions are presented for consideration. The Audit Committee concurred with this recommendation.</p> <p>2. CAO Christine Klima stated that the OEL monitoring is scheduled for the week of January 22nd. ELC’s monitoring by the CSC will follow at a date to be determined.</p> | |
| Matters from the Committee | <p>With the formation of an Ad Hoc Strategic Planning Committee to close out the Road to Child Outcomes initiative and develop recommendations for 2018 quality initiatives, the role of the Audit Committee was discussed. There was consensus that Audit Committee meetings would be scheduled to coincide with review and oversight of internal and independent audit activities only.</p> | <p>A meeting calendar will be developed to coincide with audit schedules for 2018.</p> |
| Public Comment | <p>There was no public comment.</p> | |
| Next Meeting Date | <p>TBD</p> | |
| Adjourn | <p>A Motion to adjourn was made by Richard Campillo; the meeting adjourned at 4:45 p.m.</p> | |

These minutes contain the action items of the Audit Committee meeting of the Early Learning Coalition of Broward. They do not include all the Committee’s discussions or comments on each matter or issue raised during the meeting. A tape recording of the meeting is held in the Coalition office. Corrections from the Committee will be taken prior to approval at the next meeting.