



AUDIT & FINANCE COMMITTEE MEETING MINUTES

Workforce Solutions Alamo
100 N. Santa Rosa, Suite 120
San Antonio, TX 78207
May 28, 2021
9AM

BOARD MEMBERS: Dawn Vernon, Yousef Kassim, Leslie Cantu, Lisa Navarro Gonzales,

WSA STAFF MEMBERS: Adrian Lopez, Mark Milton, Louis Tatum, Dr. Andrea Guajardo, Angela Bush, Linda Martinez, Ricardo Ramirez, Michael DeFrees, Melissa Sadler-Nitu, Manuel Ugues, Latifah Jackson, Joshua Villela, Jessica Villarreal, Brenda Garcia, Elizabeth Eberhardt, Gabriela Horbach, Barbetta Womack, Aaron Smith, Chuck Agwuegbo, Chakib Chehadi, Christina Reck, Diane Metcalf

LEGAL COUNSEL: Frank Burney

PARTNERS: Diane Rath, Roberto Cantu

GUEST: Michael Del Torro, Auditor

AGENDA

Agenda items may not be considered in the order they appear.

Citizens may appear before the Committee to speak for or against any item on the Agenda in accordance with procedural rules governing meetings. Speakers are limited to three (3) minutes on each topic (6 minutes if translation is needed) if they register at the beginning of meeting. Questions relating to these rules may be directed to Linda G. Martinez at (210) 581-1093.

To protect the health of the public and limit the potential spread of COVID 19 as directed by Governor of Texas, Bexar County and City of San Antonio, WSA will hold this meeting via videoconferencing. The meeting will be held in compliance with the suspended provisions of the Texas Open Meetings Act. For those members of the public that would like to participate, please call toll-free 1-877-858-6860, which will provide two-way communications through a speaker phone. For additional information, please call Linda G. Martinez, (210) 581-1093.

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During the Public Comments portion of the meeting (Agenda Item 3), the Public may type their name into the chat box or unmute themselves and state their name.

The meeting host will call each member of the public for comments, in the order their names were submitted.

- I. CALL TO ORDER AND QUORUM DETERMINATION
Presenter: Mary Batch, Chair
The meeting was called to order at 9:00AM
Board Chairwoman Leslie Cantu acted as Audit & Finance Committee Chair on behalf of Mary Batch.
- II. DECLARATIONS CONFLICT OF INTEREST
Presenter: Mary Batch, Chair
There are no conflicts of interest.
- III. PUBLIC COMMENT
Presenter: Mary Batch, Chair
There are no public comment.
- IV. DISCUSSION AND POSSIBLE ACTION REGARDING PREVIOUS MINUTES for MARCH 5, 2021
Presenter: Mary Batch, Chair
Upon motion by Dawn Vernon and 2nd by Yousef Kassim, the Committee unanimously approved the May 28, 2021 Minutes
- V. BRIEFING – PROCUREMENT
Presenter: Latifah Jackson, Procurement Director
Procurement Projects & Contracts Summary
 - a. Child Care Update
 - Ms. Latifah Jackson, Director Contract and Procurement provided the Audit & Finance Committee an update on the formal and information Request for Proposals, RFPs.
 - RFP for Management of Child was released on April 30, 2021 and pre-bid was May 7, 2021
 - Request for Application (RFA), Application for Proposal Evaluation was released on May 21, 2021 and closed on May 28, 2021
 - RFP for Executive Coaching released on April 28, 2021 and closed on May 19, 2021. Received 27 responsible bidders. Currently under evaluation
 - Request for Application (RFA), for Application for Proposal Evaluation and Leadership Training released on April 23, 2021 closed on May 12, 2021

- b. Care Services Informal Contracts –
 - a. SEAL – Summer Earn and Learn-
 - SA Trainers, LLC dba Partners in Progress, This contract provides six job readiness training courses as a prerequisite to the SEAL program. Classes are offered at various times and locations to maximize participants access to the courses. This contract was awarded to SA Trainers, LLC dba Partners in Progress for a one-year end term with the option to renew two subsequent one-year terms. The contract is not to exceed \$80,000 annually.
 - Return on Investment - Economic Modeling, LLC (EMSI). The emphasis of this study will assess the impacts of WSA’s workforce development programs during Program Quarters 2019 (March 1, 2019 to March 30, 2020). Both WIOA and non-WIOA program funding streams will be included in this analysis. Data will be analyzed and discussed, and a recommendation will be made to the client to use in the final report. This study will also measure the economic impacts generated by WSA’s day-to-day activities in the local region (a.k.a. the “operations impacts”). This contract was awarded to Economic Modeling, LLC (EMSI) for a one-time fee of \$20,000.
 - b. Electronic Procurement System
 - Purchasing launched the utilization of electronic bidding through Bonfire, which the Board of Directors approved in December 2020. Through Bonfire WSA can establish a bidders list, issue solicitations, receive proposals, evaluate proposals, and post awards of contracts. Staff has updated the WSA website, sent out email notification to vendors and are attending community engagements to further increase awareness of the new process. Procurement staff will still post solicitations on the Electronic Bids Daily (ESBD), which is the states website.

VI. FISCAL UPDATE DISCUSSION AND POSSIBLE ACTION

Presenter: Louis Tatum, CFO

- a. Financial Reports
 - Mr. Louis Tatum, CFO provided the Audit & Finance Committee fiscal updates.
 - Financial reports through March 31, 2021, have been prepared for the fiscal year of October 1, 2020, through September 30, 2021, the straight-line expenditure benchmark is 50.00% of the budget. An analysis has been performed outlining Corporate and Facility Budgets, as well as the Grant Summary Report.
 - Mr. Adrian Lopez commented on the COSA grant funding. The contract is about \$16M to provide upscale and re-training opportunities and a large portion of the budget was associated with stipends. We have realized in the last few months that many of the clients we serve are not taking advantage of the stipends. Most recently, the COSA wanted to amend the contract as early as March 2021. We asked if they would allow the \$8M in the stipend line item to be moved for additional training for clients. We had over a

thousand clients wanting additional training. Unfortunately, COSA did not approve the request. Continuing negotiations with the COSA and we may end of losing a few million dollars. However, this is not due to a lack of clients taking advantage of the program but it is due to determining how to administer the funds within the rules and confines the COSA has in place.

- Board Chairwoman, Leslie Cantu asked if clients that are eligible for the stipend not requesting it? Chairwoman Cantu also asked for a high-level overview of the eligibility requirements.
- Mr. Milton provided the eligibility requirements: be a resident of San Antonio, impacted by the pandemic by job loss and enrolled in training. Mr. Milton went on to explain clients enrolled in the program are also receiving unemployment benefits and they do not want to risk their unemployment benefits by receiving a benefit on top of a benefit and potentially must pay a tax on it. WSA has provided pro-forma to COSA for further evaluation.
- Board Member Yousef Kassim requested that another column be added to the financial report.
- Board Member Lisa Navarro Gonzales asked if the COSA provided an alternative to the stipends being issued.
- Mr. Frank Burney, Legal Counsel, cautioned the Committee of any discussion as it may be attorney client privilege and COSA representatives may be on the call.
- Mr. Lopez stated he wanted to emphasize during the contract negotiations the fiscal impact would decrease the amount of funding. And to answer Board Member Navarro Gonzales' question, the COSA did not provide an alternative.
- Board Member Navarro Gonzales also asked if other board were experiencing the same issue WSA is having with their local government.
- Mr. Lopez stated regarding the CARES and/or other local funding, only Capital Area, (Austin) have this funding. Capital Area receives \$3M.

b. Audit Update

- Mr. Michael Del Torro, Auditor with ABIP, provided the Audit & Finance Committee with an overview of the audit fiscal year ending September 30, 2020.
- The audit for Alamo Workforce Development, Inc. DBA Workforce Solutions Alamo (WSA) for fiscal year ended September 30, 2020, has been performed and completed by ABIP, PC. ABIP has performed their audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the Uniform Guidance. In performing the audit, they interviewed staff and observed processes to develop a risk assessment over the internal controls and develop audit procedures they feel necessary to provide evidence for their audit opinions.
- ABIP reports provided:
 - Financial Audit – Opinion – **Unmodified (clean opinion)**
 - Compliance Audits – Child Care Development, Child Care Protective

- Services, and WIA/WIOA Cluster – Unmodified (clean opinion)
- Report of Conduct of Audit
- Financial Audit
 - Established an audit approach based on risk assessment and tailored programs to guide the audit process for efficiency and completeness.
 - Performed overall analytical reviews on account balances to aid in the extent of audit procedures needed to provide reasonable assurance over activity and account balances.
 - Reviewed and mailed AWS-prepared confirmations to related parties, legal counsel and financial institutions.
 - Reviewed approval processes over individual transactions and tested allowability for particular grant contract.
 - Performed substantive procedures for the various financial statement account balances as of yearend including cash, accounts receivable, prepaid expenses, fixed assets, accounts payable, accrued liabilities, and deferred revenues.
 - Worked with management to assist in the preparation of the financial statement and ensure up to date disclosures are included.
 - Prepare Report on Conduct of Audit for the fiscal year ended September 30, 2020.
- Compliance Audit – Child Care Development, Child Care Protective Services, and WIA/WIOA Cluster
 - Established an audit approach based on risk assessment and tailored programs to guide the audit process for efficiency and completeness.
 - Interviewed staff pertinent to Child Care Development and Protective Services Funds (CCDF and CCPS Grants) and WIOA Funds to gain understanding of processes over disbursements, payroll and cash reimbursement processes.
 - Performed a risk assessment over the 14 compliance requirements over the CCDF, CCPS, and WIOA Grants and planned test of controls and compliance for each.
 - Sampled individual transactions for allowability with CCDF, CCPS, and WIOA Grants award and approvals by staff prior to payments to vendors.
 - Sampled reimbursement draws (cash receipts) over allowable costs charged to the grants for proper approvals from staff and recording into the general ledger.
 - Reviewed completeness and accuracy of Texas Workforce Commission reporting compliance requirement over CCDF, CCPS, and WIOA Grants.
 - Mr. Del Torro discussed the ransomware attack. In July 2020, Alamo Workforce Development, Inc. dba Workforce Solutions - Alamo experienced a ransomware attack. As required by our professional standards we reviewed correspondence from Texas Workforce Commission along with the Corrective Action Plan and considered this information in planning and performing our financial and compliance audit for the fiscal year ended September 30, 2020. No additional comments or recommendations resulted from our review.
 - Mr. Lopez thanked the WSA Board for their leadership.

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Upon motion by Board Member Yousef Kassim and 2nd by Board Member Lisa Navarro Gonzales, the Committee unanimously accepted the audit report as presented.

VII. CEO REPORT

Presenter: Adrian Lopez, CEO

a. Securing Additional Resources

- Mr. Lopez also provided the Audit and Finance Committee an update on a few of the Employer Events.
- WSA Workforce on Wheels, (W.O.W Bus) is back in service and available to Board Members if they would like to use for their hiring events. The bus is equipped with computers.
- Seguin Career Fair
- WSA in partnership with City of San Antonio, and fire department hosted vaccination clinics at three of our centers to assist both clients and staff to be employment ready.
- Mr. Lopez also highlighted the various partnerships.
 - Texas A & M
 - Data partner to support the Texas Talent Connection Grant \$200K
 - San Antonio Education Partnership
 - Trellis Foundation Career Exploration \$200K
 - Alamo Colleges
 - Navistar \$1 million Skills Development Fund
 - San Antonio Housing Authority
 - \$2.3 million Jobs Plus Program
 - Northeast Lakeview College
 - Equipment grant \$205K
 - JET Grants
 - Boerne ISD \$101K
 - Ingram ISD \$91K
 - Southside ISD \$83K
- 44 Careers fairs have been held since Jan 2021 thru May 2021.
- We have had 451 employers in attendance
- 3,167 Registered Job Seekers (or In Person Attendance)
- 1,524 have logged in
- 1,777 job postings available
- 11,864 job openings available
- 535 interviews and 125 hires
- Chairwoman Cantu commended Mr. Lopez and his team on how they have been able to bring these various events to the community and provide employment opportunities.

VIII. CHAIR REPORT

Presenter: Mary Batch, Chair

IX. Executive Session: Pursuant to Chapter 551 of the Texas Open Meetings Act, the Committee may recess into Executive Session for discussion on any issue for which there is an exception to the Act as set out in section 551.071 et. seq. including, but not limited to, the following:

a. Government Code §551.072 – Discussions Regarding Purchase, Exchange, Lease, or Value of Real Property if Deliberation in an Open Meeting

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- Would Have a Detrimental Effect on the Position of Workforce Solutions Alamo in Negotiations with a Third Party;**
- b. Government Code §551.071 - All Matters Where Workforce Solutions Alamo Seeks the Advice of its Attorney as Privileged Communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas:**
 - c. Pending or Contemplated Litigation; and**
 - d. Government Code §551.074- Personnel Matters involving Senior Executive Staff and Employees of Workforce Solutions Alamo.**

X. ADJOURNMENT

Presenter: Mary Batch, Chair

Upon motion by Board Member Mr. Yousef Kassim, the Committee adjourned at 9:51 AM.