

# 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](http://www.floridajobs.org)

**TABLE OF CONTENTS**

**OVERVIEW .....3**  
**Control Environment.....7**  
**Risk Assessment..... 13**  
**Control Activities ..... 20**  
**Information and Communication ..... 24**  
**Monitoring Activities..... 27**  
**Attachment A..... 29**

## 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 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 control across the organization. The board of directors and senior management establish the tone at the top regarding the importance of internal control 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 to 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 control, including controls to effect 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 control developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and presented in the Internal Control – Integrated Framework. The five components of internal control listed above are fundamentally the same as the five standards of internal control 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 control in a 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 those 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

	Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations	
	Strong						
	Weak	1	2	3	4		5
<b>Principle 1. The organization demonstrates a commitment to integrity and ethical values.</b>							
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 checked="" type="checkbox"/>	Integrity and ethical behavior is an integral component to the LWDB's beliefs, values and standards of conduct. Management and the Board of Directors attitude and actions adequately set the tone of the organization influencing the control consciousness of the employees. This "tone" is apparent in committee, director and staff meetings.
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. <b>Provide policy/policy number(s) and page number(s) that address the statement made above.</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Staff: LWDB's code of ethics and code of conduct clearly defines expectations and standards that align with management's beliefs. <u>The code of conduct (p27) and code of ethics (p26) is included the LWDB's employee handbook.</u> The employee handbook is signed by each employee as evidence that they understand the policies, rules and regulations of the LWDB.  Board members: All board members will complete a standard of conduct provided by Pinellas County.  Outsourced service provider: Included as a provision in the Subrecipient agreement.

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 checked="" type="checkbox"/>	The code of conduct and code of ethics is included the LWDB's employee handbook. The employee handbook is signed by a new employee as evidence that they understand the policies, rules and regulations of the LWDB. In addition, desk guides and standard operating procedures address internal controls.
<b>Principle 2. The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.</b>							
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 checked="" type="checkbox"/>	<input type="checkbox"/>	The structure of the Board is maintained in accordance with Federal and State regulations. All members are appointed by the Pinellas County Board of County Commissioners. Members are reviewed based on their qualifications to ensure there are a variety of skill sets. The composition of the Board as well as the various committees, allows for members to present alternative views. Committees. Chairperson of each committee is a community employer. The members ensure the workforce system is demand driven by providing valuable feedback on the local economy and community as a whole. They are able to provide first-hand knowledge of employment needs in their industry. All board members will complete a standards of conduct form provided by Pinellas County. The LWDB is currently conducting a review of their roles and responsibilities as it relates to



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 checked="" type="checkbox"/>									oversight of the development and performance of internal controls.			
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 checked="" type="checkbox"/>	<input type="checkbox"/>										The LWDB's external auditors directly communicate both verbally and in writing to the Audit Committee. In addition, the external auditor will do initial presentation to the board of the overall financial statement audit by request. The annual audit review was presented and approved at the Audit Committee, Executive Committee and at the full Board Meeting.			
<b>Principle 3. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.</b>																			
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 checked="" type="checkbox"/>									Recently, the LWDB has made significant changes to the organizational structure, including a complete separation of shared services. This separation of shared services occurred on September 1 <sup>st</sup> . At this time, the LWDB has developed a new organizational structure to include a CEO and CFO. The organizational structure is designed to provide a proper decision making framework. The structure, groups, divides and coordinates the tasks			

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 checked="" type="checkbox"/>	<input type="checkbox"/>					required to achieve the LWDB's identified goals. The organizational structure makes best use of available resources while maintaining adequate controls to ensure compliance with federal and state rules and regulations and other applicable requirements. The LWDB is in the process of reviewing specific lines of authority to ensure compliance with federal and state laws and regulations.

**CONTROL ENVIRONMENT (continued)**

		Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
		Strong					
		1	2	3	4	5	
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 checked="" type="checkbox"/>	The LWDB is currently changing the organizational structure to include a CEO and CFO. This dictates appropriate controls by segregating the duties of responsibilities.
<b>Principle 4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.</b>							
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 checked="" type="checkbox"/>	<input type="checkbox"/>	The CEO and CFO will evaluate training opportunities or continuing education that will aid in the development and retention of sufficient and competent personnel. DEO training through technical assistance. In addition, key Finance personnel attend FOG meetings and applicable webinars throughout the year. Finally, Finance personnel at a Director level or above attend not-for-

		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>profit updates on an annual basis and the appropriate CPE credits to maintain their CPA license.</p>
11.	<p>The LWDB has succession plans for senior management and contingency plans for assignments of responsibilities important for internal control.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Organization understands the importance of a succession plan and contingency plan for assignment of responsibilities. In the event there is an open Director level position, the program coordinator will work directly with the CEO until the position is filled. The Chair will appoint an interim CEO in the event this position is vacated. CEO will appoint interim CFO, if needed. A proactive and systematic process will be put in place to identify those positions considered to be at the core of the organization. Based on this information, the CEO will create a strategic plan to fill those positions with capable and qualified employees. The organization will re-evaluate this business structure in six months.</p>
12.	<p>For all positions, there are current written job descriptions, reference manuals or other forms of communication to inform personnel of their duties.</p> <p><b>How Often are Positions Descriptions Reviewed?</b></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>A job descriptions exists for each position. Upon hire, each employee is required to review their job description.. The most recent review was conducted in 2016. A comprehensive review of job descriptions will be completed during 2018. Job descriptions will be reviewed annually.</p>
<p><b>Principle 5. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.</b></p>							

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 checked="" type="checkbox"/>	<input type="checkbox"/>	All financial processes will be reviewed for internal control and efficiency purposes. Financial and Procurement Policies will be updated and documented as appropriate. In addition, informal meetings are held with staff members to discuss their internal control responsibilities as well as included in job descriptions, desk guides and quarterly trainings. As part of that review, we will reiterate directives to ensure employees are aware of their role as it relates to internal controls.
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 checked="" type="checkbox"/>	<input type="checkbox"/>	In light of recent events, the LWDB's structure and tone regarding individual accountability has been amplified throughout the organization. As part of this, the organization's tone reinforces the requirement for individual accountability for performance of internal controls and responsibilities. LWDB reviews and discusses the results of quarterly monitoring with Director of Audits, Programs and Contracts to identify additional areas of focus, if needed.
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. <b>Provide policy / policy number(s) and page number(s) that address the statement made above.</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Subrecipient service providers are monitored, as needed, and required by Federal Grant Guidelines and the Organization's <i>Compliance Monitoring Policies and Procedures</i> .  Also, vendors are monitored and reviewed to ensure compliance with

--	--	--	--	--	--	--	--	--	--	--	--

deliverables. The respective agreement is used as a tool for monitoring.

**RISK ASSESSMENT**

	<i>Self-Assessment of Policies, Procedures, and Processes</i>					<i>Comments/Explanations</i>
	<i>Weak Strong</i>					
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	
<b>Principle 6. The organization specifies with sufficient clarity to enable the identification and assessment of risks relating to objectives.</b>						
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Finance and operations management will be performing a risk assessment for each of its major objectives and at each of its locations by the end the first quarter of 2019. Where appropriate, key controls will be implemented, and communicated to the appropriate staff and periodically monitored.
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 checked="" type="checkbox"/>	<input type="checkbox"/>	Risk/Benefit analysis is performed periodically as a basis for allocating/prioritizing resources to operational objectives and goals. Metrics will be developed to monitor the performance. Corrective actions and/or reallocation of resources will be enacted if appropriate.
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 checked="" type="checkbox"/>	<input type="checkbox"/>	Segregation of duties will be implemented where appropriate. In addition, a monthly financial package will be developed and distributed that contains, a monthly review of actual versus budgets, actuals versus prior years, grant spending, etc. Also,

<p>quarterly meetings, at minimum, with department stakeholders will be implemented to review spending, budgets and grant status.</p> <p>On a monthly basis, balance sheet reconciliations will be performed for all balance sheet accounts and an audit will be performed by an outside CPA firm annually.</p>			
<p><b>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.</b></p>			
<p>19. Management ensures that risk identification considers internal and external factors and the potential impact on the achievement of objectives.</p> <p><b>What are three biggest risks affecting the organization, and what mitigating controls are in place?</b></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input checked="" type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>		
<p>Finance: With the elimination of shared services. CSPIN has had to build a system from the ground up. In addition, there is a reduction of funding budget; a need to better utilize technology to monitor financial activities and develop reports; and to provide additional oversight by finance committee.</p> <p>Loss of key personnel: Cross training; talent management; addressing competency gaps; attracting, retaining and developing quality talent; and consideration for a more formalized succession plan.</p> <p>External Influences: External factors include the public perception; the need to rebuild trust within the general community and with employers. In addition, the realities of the current</p>			

<b>objectives.</b>							
22.	The LWDB periodically performs an assessment of is exposures to fraudulent activity and how the operations could be impacted.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Organization continuously evaluates areas of exposure to fraudulent activity. A Director's meeting will be scheduled in the upcoming months to evaluate potential exposures. In addition, quarterly internal monitoring will be utilized as a means of identifying potential risk areas. As noted above, finance and operations management will be performing a risk assessment for each of its major objectives and at each of its locations by the end the first quarter of 2019. In addition, the LWDB is hiring a new finance team who will develop and set up new processes to ensure that financial transactions are recorded timely and accurately and financial statements can be relied up to meet the objectives of the organization. One area already identified that will be revamped is the online Purchase Order and approval process to take advantage of available technologies.</p>

<b>Self-Assessment of Policies, Procedures, and Processes</b>						
<b>Weak</b>	<b>Strong</b>					
1	2	3	4	5	<b>Comments/Explanations</b>	

23.	<p>The LWDB periodically performs an assessment of each of its operating locations' exposure to fraudulent activity and how the operations could be impacted.</p> <p><b>When was the last assessment performed, and by whom?</b></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The new CFO, along with operations, will evaluate all major business operations and objectives. From a financial standpoint, the goal is to utilize financial software and other technology to adequately and timely record all transactions. Overall, the organization continuously evaluates areas of exposure to fraudulent activity. Director's meeting is also used as a forum to discuss areas of potential impact. In addition, quarterly internal monitoring will be utilized as a means of identifying potential risk areas. Quarter ending June 30, 2018 most recent programmatic monitoring was conducted. One Stop Credentialing performed by Program Monitoring in November 2017.</p>
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><b>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.</b></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>As noted above, we will be modifying and tightening controls surrounding online Purchase Order and approval process. Relating to prepared cards, our intent is to minimize the use and pay vendors directly instead of to the participants. For prepaid cards that will be used, they will be tightly controlled, inventory kept, and surprise audits performed. We will evaluate additional controls including requiring the participant to sign an acknowledgement of receipt of the cards and attestation that they will use the cards for their intended purpose.</p>
<p><b>Principle 9. The organization identifies and assesses changes that could significantly impact the system of internal controls.</b></p>							



<p>25. 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Any legislative, regulatory, or changes in accounting principles are reviewed and mandatory training implemented within the quarter of the change. Also, the CEO receives and disseminates via email to all Directors USDOL/ETA advisories and DEO communiques which impact the Organization. In addition, the CEO regularly attends WFI meetings. Also, the Finance Directors attend various webinars on upcoming changes in financial accounting standards. Also, management will perform a SWOT analysis on an annual basis to identify organizational strengths, weaknesses, opportunities and threats. Finance will implement monthly/quarterly financial reviews with program stakeholders to review costs and trends.</p>
<p>26. The most significant risks affecting the LWDB have been identified and controls designed and implemented that mitigate risks. <b>Identify three of the most significant internal risk that could impact the achievement of objectives.</b></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>1) Reduction in funding 2) Loss of key personnel 3) Lack of use of technology for transactions/backup (too much use of Excel worksheets).</p>
<p>27. Considering the most significant risks, identified above, have controls been designed and implemented that mitigate risks associated with each. <b>In the comments/ explanations section, please elaborate on the mitigating controls.</b></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>1) budget, continuous monitoring, burn report to monitor expenditure rate, oversight by finance committee, SWOT analysis 2) Cross training; consideration for a more formalized succession plan will be looked into</p>



## CONTROL ACTIVITIES

		Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
		Weak		Strong			
		1	2	3	4	5	
<b>Principle 10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.</b>							
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	On a weekly basis, network access is audited using the Microsoft Active Directory. In addition, a physical firewall is installed on the perimeter of the LWDB's network to control access to the internal network. The LWDB will also be developing Disaster Recovery and Business Continuity plans.
29.	Controls employed by the LWDB include authorizations, approvals, comparisons, physical counts, reconciliations and supervisory controls.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Some of the areas that will be strengthened will be monthly balance sheet reconciliations, development of a monthly/quarterly financial reviews with internal stakeholders and online purchase order and approval process.
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RSO reviews and updates system privileges and access.
<b>Principle 11. The organization selects and develops general control activities over technology to support the achievement of objectives.</b>							
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.  <b>In the comments/ explanations section, provide a narrative of the process of authorizing access for new employees,</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	IT provides access based upon direction provided by supervisory level staff, HR directs email to key personnel to remove system access, as applicable.

## CONTROL ACTIVITIES

	Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
	Weak					
	1	2	3	4	5	
<p><b>revoking access for separated employees, and changes to authorized users commensurate with their changes to their job responsibilities.</b></p>						
<p>32. Management has identified the appropriate technology controls that address the risks of using applications hosted by third-parties.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>In all cases, IT must test and approve installation and use of third party hosted software as part of the computer software use policy.</p>
<p>33. The LWDB has considered the protection of personally identifiable information (PII), as defined in 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.</p> <p><b>Describe how personally identifiable information of program participants is protected and/or redacted.</b></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The policy on handling and protection of personally identifiable information and sensitive information applies to all careersource employees, DEP staff located in CareerSource offices, training vendors, program coordinators and partners that have access to PII and/or sensitive information shall be protected through a combination of measures including operational safeguards (policy and training), privacy-specific safeguards (procedures for collection and handling such information) and security controls (role-based access control, passwords, use of encrypted emails, etc.) In addition, the LWDB ensures that confidential information is kept under lock and key and access is limited to only those employees who need the information to perform the functions of their job. Also, the LWDB does not keep any credit card information of any person or</p>

## CONTROL ACTIVITIES

	Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
	Weak					
	1	2	3	4	5	
						company. Any personal information of participants is kept solely for programmatic purposes and access is limited to only those employees who need it to perform their jobs.

## CONTROL ACTIVITIES (continued)

	Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
	Weak					
	1	2	3	4	5	
<b>Principle 12. The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.</b>						
34.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The new CFO will evaluate all current processes and modify as appropriate to ensure that there is adequate segregation of duties provided between performance, review and recordkeeping of all tasks. See above for other new processes that will be implemented.
35.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Policies and procedures are reviewed on an on-going basis to ensure processes are in compliance with current rules and regulations.  In-depth review is in-progress and will continue through the end of the fiscal year.

36.	<p>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.</p> <p><b>Provide policy/policy number(s) and page number(s) that address the statement made above.</b></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>With the move from shared services to non-shared services, it is the responsibility of the new CFO to design accounting processes that ensure that ALL transactions being properly recorded and accounted.</p> <p>Financial Policies and Procedures manual exists to facilitate transactions being properly recorded and accounted. Also, prior to recording any transactions to the general ledger, an individual separate from the preparer reviews the entry. A contract checklist is utilized to ensure a contract and/or grant agreement is executed in accordance with applicable laws and regulations. In addition, only the CEO and Board Chair have signatory authority over contracts. Additionally, all operating policies and procedures are clearly written and communicated.</p> <p><i>Compliance Monitoring Policies and Procedures. Financial Policies and Procedures. Procurement Policies and Procedures.</i></p>
-----	--	--------------------------	--------------------------	--------------------------	--------------------------	-------------------------------------	--

## INFORMATION AND COMMUNICATION

		Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
		Weak		Strong			
		1	2	3	4	5	
<b>Principle 13. The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.</b>							
37.	Federal, state, or grant program rules or regulations are reviewed with one or more of the following: governing board, audit, finance or other committee.  <b>How often are these reviewed?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	New policies and procedures are reviewed with the relevant committee. However, in light of recent activities, the LWDB is requesting to take a more engaged approach to better understand the program rules and regulations.  In-depth review is in-progress and will continue through the end of the fiscal year.
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 checked="" type="checkbox"/>	The LWDB understands the importance of relevant data (internal and external) in the decision making process and the underlying factors of the data having a predictive value, feedback value and being timely.
39.	The LWDB has controls in place to ensure costs are accurately recorded and allocated to the benefiting federal/state fund or grant.  <b>In the comments/explanations section, elaborate on the control(s) that ensure costs accurately recorded.</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The accounting system provides for separate identification of federal grant and nonfederal transactions as each transaction is recorded in a specific fund. The fund identifies the funding source, i.e., WIOA, USDOL, etc. In addition, the funds for which pooled costs have been allocated are transparent to the benefiting fund. Adequate source documentation exists to support amounts and items reported. We will continue to monitor

## INFORMATION AND COMMUNICATION

	Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
	Strong					
	1	2	3	4	5	
						and review to ensure controls are in place to accurately record and allocate costs.
<b>Principle 14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.</b>						
40.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Board of Directors (BOD) meetings occur every other month. Each meeting will include minutes and consent agendas from all the respective committees. Additionally, the BOD is given the five year plan for review and the 990. Included in the meetings are the activities, objectives, and goals of each of the respective committees.
41.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Email is used to quickly disseminate critical information throughout the LWDB when necessary by applicable staff. We are reviewing the communication process to ensure we have explored all options for communication and provide a distribution forum that quickly disseminates critical information.
42.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Policy updates are communicated by and disseminated to staff by mandatory training and staff meetings. We are currently reviewing the communication is robust and adequately provides guidance regarding the development, approval



## INFORMATION AND COMMUNICATION

	Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
	Strong					
	1	2	3	4	5	
<b>Principle 15. The organization communicates with external parties regarding matters affecting the functioning of internal control.</b>						
43.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The LWDB Board Chair has provided his direct cell phone number to report improprieties along with the opportunity to make anonymous calls with any issues that may arise. As we move forward, in lieu of external hotline, we will consider using the Audit Committee Chair for this role.
	Describe the process of how someone could report improprieties. Who receives/processes/investigates, etc.?					

## INFORMATION AND COMMUNICATION (continued)

	Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
	Strong					
	1	2	3	4	5	
44.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Depending on the audience, channels of communication are held via email, phone call, or face to face meeting.
45.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Various committees exist whereby staff can disseminate information. A specific Finance and Audit Committee handles financial and audit related communications. One-Stop Committee would receive One-Stop level information. In addition, Committee level information is also

													shared with and approved, if necessary, by the Executive Committee as well as Board.
--	--	--	--	--	--	--	--	--	--	--	--	--	--

	Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
	Strong					
Weak	1	2	3	4	5	

**MONITORING ACTIVITIES**

**Principle 16. The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.**

46. The LWDB management 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 checked="" type="checkbox"/>	<input type="checkbox"/>	Business processes over cash management, budget to actual results, draw down of funds, procurement and contracting activities is reviewed on an on-going basis to ensure control activities are properly designed, effective and implemented. Procedures are modified as needed.
47. The LWDB management 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 checked="" 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.  <b>Describe when the most recent visit was performed, by whom, and who were the results communicated to?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Monitoring is periodically conducted during the year to ensure compliance with requirements. Leads are required to perform desk monitoring quarterly.  Review of One Stop Centers is performed annually. The last review was conducted in November 2017.

		Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
		Weak		Strong			
		1	2	3	4	5	
<b>MONITORING ACTIVITIES</b>							
<b>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.</b>							
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 checked="" type="checkbox"/>	<input type="checkbox"/>	If deficiencies are reported by the external auditor, financial and/or programmatic monitoring, a plan of action and implementation deadline is established.
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 checked="" type="checkbox"/>	<input type="checkbox"/>	Desk and/or on-site monitoring reviews are performed. The results of those monitoring reviews are communicated, as appropriate.

## ATTACHMENT A

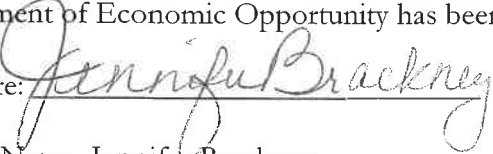
### Department of Economic Opportunity Certification of Self-Assessment of Internal Controls

---

Local Workforce Development Board: 14

**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: 

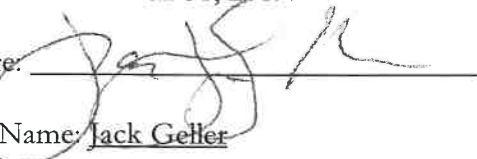
Printed Name: Jennifer Brackney

Title: Chief Executive Officer

Date: 10/31/2018

**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: Jack Geller

Title: Board Chairman

Date: 10/31/2018

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