



**U.S. Department of Labor
Employment and Training Administration**

**Compliance Review of CareerSource Tampa Bay and CareerSource Pinellas
Corrective Action Plan**

June 28, 2019

Submitted to:

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The United States Department of Labor (USDOL) Employment and Training Administration (ETA) conducted a compliance review of Florida's Workforce Investment Act (WIA) and Workforce Innovation and Opportunity Act (WIOA) programs as a result of allegations made against two of Florida's Local Workforce Development Boards (LWDBs) – CareerSource Tampa Bay and CareerSource Pinellas. On May 15, 2019, USDOL issued a report to the Florida Department of Economic Opportunity (DEO) detailing the results of WIA and WIOA compliance review. The report identified 17 findings of non-compliance and three areas of concern.

DEO is required to submit a Corrective Action Plan (CAP) that formally responds to each of the 17 findings and questioned costs. This CAP includes corrective actions of DEO, CareerSource Tampa Bay and CareerSource Pinellas that have already been taken or are in progress. The corrective action responses are separated by finding and, where multiple elements have been identified within the finding, individually numbered to ensure that each element is clearly addressed.

1 Finding 1: Falsified Placements; Fabrication of Information and Records

1.1 The State and local areas must evaluate and implement appropriate internal controls in response to the findings in this report. They must discontinue the practices that allowed the falsification of participant records and data.

The revision of internal controls will help safeguard assets properly. This will help with grant activities being in compliance with the Federal statutes, regulations and the terms and conditions of the grants; that all data and reporting are valid and reliable; and that the State and local areas have sufficient evaluating and monitoring procedures in place to ensure effective and compliant implementation of the programs.

CAP Response: DEO has taken a phased approach to ensuring that falsified placements and fabrication of information and records are eliminated by introducing enhanced measures to prevent the ability of local staff to falsify participant records and data. Additionally, CareerSource Pinellas and CareerSource Tampa Bay have taken steps to ensure that staff no longer follow the previously adopted practices. To date, the following actions have been taken:

DEO enhanced its statewide management information system to increase direct jobseeker and employer communication to confirm the accuracy of activities and services provided.

- DEO updated the state's labor exchange system (Employ Florida) to alert jobseekers upon their registration in Employ Florida. The system update sends a message to the job seeker to confirm the jobseeker's registration. The message also includes the DEO Customer Information Center's contact information and informs job seekers to contact DEO if they did not initiate or authorize their Employ Florida registration (Attachment 1.1) – **completed May 2019.**

- DEO updated Employ Florida to immediately alert employers when a hire is recorded on their job orders in Employ Florida. The message also includes the DEO Customer Information Center's contact information and employers are informed to notify DEO if they did not authorize the posting of a position in Employ Florida and/or did not fill the position (Attachment 1.1) – **completed May 2019.**
- DEO is reviewing the existing state level performance incentive policy and methodology to ensure that it does not incentivize boards to falsify performance.
- DEO updated the annual financial monitoring internal control questionnaire, requiring both the Executive Director and the LWDB Chair to sign the completed form indicating his or her review and approval of the responses to the questionnaire (Attachment 1.2) – **completed September 2018.**
- CareerSource Tampa Bay has completed the following corrective actions toward compliance:
 - Developed an outreach plan for the universal job seeker on how to register on Employ Florida for job search assistance – **completed January 2019.**
 - Ceased acquisition and use of all new hire lists for all programs associated with Business Services – **completed February 2018.**
- CareerSource Pinellas has completed the following corrective actions toward compliance:
 - Reviewed the hire list process and no longer uses hire lists for placements (Attachment 1.3) – **completed July 2018.**
 - Procured a One-Stop Operator whose role, in part, is to conduct monitoring of all programs bi-annually and report those findings to the Board of Directors. (Attachment 1.4) – **completed November 2018.**
 - Made immediate changes to program activities as identified by USDOL ETA and DEO to include discontinuation of staff incentives, revised procedures/guidebooks, and provision of additional programmatic staff trainings (Attachment 1.3) – **completed May 2019.**

The following corrective actions are in progress:

- DEO is developing a LWDB data dashboard designed to help identify data anomalies, such as missing/suspicious contact information, incomplete/missing background information and/or resume, and a short time span between registration and job placement, which will be analyzed by the DEO and LWDBs. An explanation will be required from the LWDB staff to determine if the anomaly reflects local operational processes or if a data anomaly reflects an issue which needs to be addressed. DEO will use this information to identify opportunities to provide training and technical assistance to LWDBs if needed. The goal is to decrease and eliminate future

errors/anomalies associated with data and to address data anomalies timely. DEO will adopt a process to share data anomalies with the LWDBs for review and require corrective actions, as needed. The dashboards will also be a data tool for LWDBs to use to quickly identify data gaps and anomalies.

- DEO will review and update the financial monitoring tools and/or internal control questionnaire to include the following:
 - Bonuses – to assist the LWDBs in identifying any bonus programs that may be unknowingly incentivizing employees to commit fraud.
 - Pay raises – to ensure that all raises are reasonable and approved by the appropriate staff including the Board of Directors, as needed, prior to the raise becoming effective;
 - Expanded disbursement sampling to include payments for participant program services – to ensure the disbursements are adequately supported through documentation of participant eligibility. DEO’s programmatic monitors will confirm participants included in the sample are eligible for the services received.
 - Positive confirmation - DEO will contact a sample of participants to ensure they received services from the LWDBs career center.
 - Related party agreements – DEO will review 100 percent of all agreements made with related parties and sample payments to ensure payments are fully supported.
 - Analytical procedures – to determine whether certain employers receive a disproportionate share of funding for participants as compared to the total participants receiving services.

1.2 The State and local areas must also review internal policies, processes, and training to ensure that activities permitted under the law are carried out in accordance with the statute, regulations, and ETA guidance. At a minimum, this must include adherence to participant eligibility, job order, and placement requirements and provisions.

CAP Response: Prior to the issuance of the report, DEO evaluated the guidance provided in the current state policies. DEO identified and implemented opportunities to strengthen and clarify policy language in state-level policies to lessen ambiguity and support consistency across the state. Additionally, DEO used the policy evaluation process to identify if additional WIOA policies to provide guidance needed to be developed. The following policies were either updated, revised, or developed, and finalized prior to the issuance this corrective action plan:

- [Administrative Policy 009 – On-the-Job Training](#) (Attachment 1.5)
- [Administrative Policy 096 – Jobseeker Registration](#) (Attachment 1.6)
- [Administrative Policy 098 – Employer Services](#) (Attachment 1.7)
- [Administrative Policy 099 – Job Orders and Placements](#) (Attachment 1.8)

DEO provided intensive, on-site programmatic training and technical assistance to the staff at CareerSource Tampa Bay and CareerSource Pinellas in January 2019. The training provided an opportunity for all LWDBs to attend training and to ensure the local service delivery strategies and processes align with state and federal guidelines. Additionally, DEO has completed the following actions:

- Provided hands-on demonstrations on the correct use of Employ Florida – **completed February 2019.**
- Implemented a statewide training schedule and provided in-person training for all LWDBs for programs administered by the LWDBs, including Wagner Peyser, WIOA, Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T), Federal Bonding and Welfare Transition (WT). DEO will develop and implement a consistent annual statewide training schedule for programs administered by the LWDBs. Conducted WIOA statewide training series during the months of March and April 2019, as outlined in the table below:

Day 1 Training Topic	Training Elements
WIOA Youth Program Overview	<ul style="list-style-type: none"> • History • Populations (OSY and ISY) • Eligibility • Barriers • Supportive/Follow-up Services • Low Income
WIOA Youth Program Design	<ul style="list-style-type: none"> • Objective Assessment • Individual Service Strategy • 14 Program Elements
WIOA Adult and Dislocated Worker Eligibility	<ul style="list-style-type: none"> • Eligibility Criteria • Source Documentation
WIOA Adult and Dislocated Worker Program Design	<ul style="list-style-type: none"> • Basic Career and Individualized Services • Training Services
Documenting in Employ Florida/Walk through	<ul style="list-style-type: none"> • Pre/Post-tests • Measurable Skill Gain • Credential Attainment • Other

Day 2 Training Topic	Training Elements
WIOA Adult and Dislocated Worker Program Design	<ul style="list-style-type: none"> • Support Services • Follow-up Services Pre-and Post-Exit • Co-enrollment • Exit Requirements • ETPL • TOL
Measurable Skill Gains	<ul style="list-style-type: none"> • Who is in the measure and when • Types of Skill Gains • How to record Skills Gains in Employ Florida
Service Code Review	<ul style="list-style-type: none"> • Review of the most frequently used Service Codes
Work-Based Training	<ul style="list-style-type: none"> • Identifying the types of work-based training • Service codes associated with each type of work-based training • Recording of worksite, provider and O*Net code information
On-the-Job Training	<ul style="list-style-type: none"> • Eligibility • Defining on-the-job training • Employed workers • OJT Training Plan • OJT Contract Requirements • Payments to workers • Reverse Referral • OJT, Registered Apprenticeships and Pre-Apprenticeships
Workforce Statistics and Economic Research	<ul style="list-style-type: none"> • Overview

- Partnered with CareerSource Florida and Maher and Maher to implement a comprehensive WIOA program performance metrics training series (Attachment 1.9) The training series offered LWDBs a closer look at WIOA’s Primary Indicators of Performance, ways to measure and improve performance for Business Services and suggestions for aligning strategies to performance. The trainings were conducted through a blended approach using webinars, in-person meetings and other learning tools. The modules and topics covered during the training sessions include:

WIOA Performance Metrics Course or Workshop	Method	Delivered
1. WIOA Overview and Performance Training	Webinar	June 2018
2. Interactive Performance Workshop	In-Person	September 2018
3. Measuring & Improving Performance for Business Services	Webinar	October 2018
4. Approaches to Aligning Strategies to Performance	In-Person	December 2018

The training sessions and workshops were recorded and are accessible at any time to the LWDB staff in the DEO Learning Management System.

CareerSource Tampa Bay has taken the following corrective actions toward compliance:

- Created a policy/performance position dedicated to providing additional local guidance and training for staff on TEGs, DEO policies, and policy changes - **completed prior to May 2019.**

CareerSource Pinellas has taken the following corrective actions toward compliance:

- Revised internal policies and processes (Attachments 1.10, 1.11, 1.12, 1.13) to include placements, job orders, and eligibility – **completed May 2019.**

The following corrective actions are in progress:

- CareerSource Tampa Bay will prepare policy and procedures on each of the three areas: job seeker registrations, job orders, and placements to comply with the following DEO Policies:
 - Administrative Policy 096 – Job Seeker Registration
 - Administrative Policy 098 – Employer Services, and
 - Administrative Policy 099 – Job Orders and Placements.
- CareerSource Tampa Bay will develop a training plan by department (program and fiscal) to incorporate essential job functions to ensure staff understand compliance requirements.
- CareerSource Pinellas will work with DEO and the One-Stop Operator to review and finalize revised policies and processes before conducting the necessary trainings and distribution to staff.
- CareerSource Pinellas will develop a Policy, Reports and Quality Assurance Lead position dedicated to focusing on providing local guidance and training for staff on

TEGLs, DEO policies and policy changes. This position was approved by the Board of Directors on June 5, 2019 and will be effective July 2019.

- CareerSource Pinellas' One-Stop Operator will assist in reviewing desk guides and developing a plan to ensure the process for reviewing policies & procedures are updated (Attachment 1.14).
- CareerSource Pinellas is conducting on-going internal monitoring (Attachment 1.15).
- DEO is developing a comprehensive performance policy that will provide guidance to LWDBs on proper reporting of services and data validation, as well as information on how DEO and LWDBs will work together to ensure performance goals are met while maintaining ethical practices.

1.3 The State should assess and determine the impact of falsified placements on performance data. The State must report results of this assessment and FLDEO must work with the ETA performance team to determine how to adjust reporting and statistical models appropriately.

CAP Response: DEO requests technical assistance from the USDOL ETA regional team to examine the back-up documentation (criteria, listing of falsified placements, work papers, sampling list, etc.) used by USDOL ETA to develop the compliance review report. DEO requests that USDOL ETA provide the specific records and files used to identify all individuals in CareerSource Tampa Bay and CareerSource Pinellas workforce board areas reviewed by USDOL and used to asserted to be the subject of falsified placements as well as USDOL ETA's methodology for calculating the questioned costs. Once the review and assessment of falsified placements are completed and validated, DEO will work with the USDOL ETA performance team to adjust reporting and statistical models, as deemed appropriate.

2 Finding 2: Lack of Documented Program and Service Eligibility for On-the Job Training (OJT) Participants

2.1 The local areas must abide by eligibility requirements of the OJT program and ensure that their policy, instructions, and processes comply with the criteria for program eligibility.

CAP Response: CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions relating to the OJT program eligibility requirements prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until DEO determines they are satisfactorily resolved.

CareerSource Tampa Bay has taken the following actions towards compliance:

- Participated in WIOA technical assistance conducted by DEO – **completed March 2019.**

CareerSource Pinellas has taken the following actions towards compliance:

- Participated in WIOA technical assistance conducted by DEO – **completed March 2019.**
- CareerSource Pinellas drafted and updated a desk guide for all programs that fund OJT/Paid Work Experience (PWE) programs, such as TANF, WIOA, and TAA and will submit the desk guide to DEO for review and approval (Attachment 2.1).

The following corrective actions are in progress:

- DEO will also enhance programmatic monitoring tools to ensure that all WIOA training services documentation is compliant with WIOA law.
- DEO will update the internal control questionnaire to require annual review of board policies, instructions and processes based on the WIOA criteria for OJT program eligibility.
- CareerSource Tampa Bay is conducting an organizational re-alignment with Business Services and Program Services. This re-alignment shifts OJT eligibility and placements from Business Services staff to Program Services staff. Business Services staff will focus on attracting and engaging businesses.
- Upon approval and implementation of the desk guides, CareerSource Pinellas will hold training to ensure staff understand the requirements and intent of OJT and how to communicate the program to employers.

DEO will ensure that CareerSource Tampa Bay and CareerSource Pinellas update their policies, instructions, and processes to comply with the criteria for OJT program eligibility.

2.2 The local areas should provide training for all staff, both case managers and Business Services staff. Both local areas must ensure the staff understand the requirements and intent of OJT, including how to communicate and explain the program to employers.

CAP Response: CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay has taken the following actions toward compliance:

- Modified OJT, Employed Worker Training (EWT), and PWE agreement templates to reflect ETA and DEO best practices – **completed March 2019.**
- Added a year-end date to the OJT, EWT, and PWE agreements to establish a financial period end with an annual term limit – **completed March 2019.**
- The LWDB attorney reviewed and edited the OJT/PWE agreement and provided suggested modification to strengthen the existing language to the applicant and employer – **completed March 2019.**

- Modified processes in order to comply with job order and candidate referrals related to OJT and PWE. The LWDB no longer completes Employ Florida referrals (Attachment 2.2) – **completed prior to May 2019.**

CareerSource Pinellas has taken the following actions toward compliance:

- Modified OJT, EWT and PWE processes and drafted new desk guides. These will be submitted to DEO for review – **completed prior to May 2019.**

The following corrective actions are in progress for this finding:

- CareerSource Pinellas is currently conducting a full review of the local area’s desk guides for all programs that fund OJT/PWE. Upon approval and implementation of the desk guides, training will be held to ensure staff understand the requirements and intent of OJT and how to communicate the program to employers.
- CareerSource Tampa Bay will conduct a joint training session with the Business Services team and Program Services team to review local policies and procedures.

DEO will ensure that both CareerSource Tampa Bay and CareerSource Pinellas provide training for all staff, both case managers and Business Services staff, to ensure that staff understand the requirement and intent of OJT, including how to communicate and explain the program to employers. DEO programmatic monitoring will include interviews of LWDB staff to ensure an adequate understanding of the requirements and intent of OJT.

2.3 The LWDA’s must reevaluate and revise, as necessary, their current local OJT policy on assessing participants and developing documentation that supports the need for OJT training. This should include the use of assessment results, Individual Employability Plans (IEPs), case notes, and follow-up services to support the need for training and to ensure the participants’ success in the program.

CAP Response: CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay has completed the following corrective actions toward compliance:

- Reviewed the USDOL toolkit on OJT policy and researched other national/statewide best practices to develop local policy – **completed December 2018.**
- Revised WIOA/OJT enrollment, follow-up and monitoring forms to ensure compliance – **completed March 2019.**
- Modified the OJT Staffing Structure:
 - Integrated Business Services OJT team with the WIOA Program team; and

- Implemented process for the use of OJT job orders with WIOA occupational skills training completers (90 days prior to completion) and job search – **completed prior to May 2019.**
- Implemented staff policies and procedures on OJT (Attachments 2.3, 2.4) – **completed March and May 2019.**

CareerSource Pinellas has completed the following corrective actions towards compliance:

- Reviewed the hire list process for determining OJT/PWE and immediately directed that staff no longer utilize hire list for reverse referrals, based on USDOL ETA and DEO guidance relating to OJT/PWE.

The following corrective actions are in progress:

- CareerSource Tampa Bay is conducting an organizational re-alignment with Business Services and Program Services, to include shifting OJT eligibility and placement from Business Services to Program Services and shifting Business Services' focus to attracting business and business engagement.
- CareerSource Pinellas is currently conducting a full review of desk guides. Upon approval and implementation of the desk guides, training will be held to ensure staff understand the requirements and intent of OJT and how to communicate the program to employers.
- CareerSource Pinellas will conduct a full review of OJT/PWE policy and will make additional changes as necessary.

DEO will ensure that both CareerSource Tampa Bay and CareerSource Pinellas will reevaluate and revise, as necessary, their current local OJT policy on assessing participants and developing documentation that supports the need for OJT training, the use of assessment results, IEPs, case notes, and follow-up services to support the need for training and to ensure the participants' success in the program. Further, DEO will update the financial monitoring tool to ensure that adequate documentation supports the need for participant program service, including but not limited, to OJT training. Monitoring procedures will test for the existence of assessment results, IEPs, case notes, and follow-up services.

2.4 FLDEO must work with the local areas to ensure that all program participants have documented assessments, present a need for OJT services with a well-developed IEP to support enrollment in program activities.

CAP Response: DEO has taken the following corrective actions to resolve the noted issue:

- Enhanced the OJT sections of the programmatic monitoring tool to ensure that beginning in the Program Year 2018-2019 monitoring cycle, OJT participant files examined meet all necessary federal and state requirements for eligibility and training – **completed August 2018.**

- Provided on-site technical assistance for CareerSource Tampa Bay and CareerSource Pinellas for the OJT program – **completed February 2019.**
- Conducted statewide training for all LWDBs on the OJT Program during the months of March and April 2019 – **completed April 2019.**
- Revised Administrative Policy 009 – On-the-Job Training by strengthening the policy to ensure all federal and state guidelines are clearly stated – **completed June 2019.**

The following corrective action is in progress:

- DEO will update the financial monitoring tool to ensure that adequate documentation supports the need for participant program service, including but not limited to OJT training. Monitoring procedures will test for the existence of assessment results, IEPs, case notes, and follow-up services.

2.5 The local area staff must verify that all required actions are recorded, legible, accurate upon enrollment, and implemented in full compliance with program eligibility requirements.

CAP Response: CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay has completed the following corrective actions toward compliance:

- Eliminated the process of WIOA eligibility on all universal customers and transitioned to a process of determining eligibility for those who request WIOA-funded assistance – **completed March 2018.**
- Incorporated the OJT team into the business services model, requiring Account Executives and Recruiters to recruit for OJT job orders by targeting WIOA and WT program participants as potential OJT candidates, as well as utilizing Employ Florida and Monster resources to source candidates. The Management Information System (MIS) provides monthly updated lists – **completed prior to May 2019.**

CareerSource Pinellas has completed the following corrective actions towards compliance:

- Incorporated the OJT team into the Business Services model, requiring Account Executives and Recruiters to recruit for OJT job orders sourcing WIOA, and Welfare Transition program completers, Employ Florida and Monster resources. The Management Information System (MIS) provides monthly updated lists – **completed prior to May 2019.**

The following corrective actions are in progress:

- CareerSource Pinellas plans to hire a consultant or assign staff to review the OJT files to help determine compliance with program eligibility requirements and potentially address questioned costs.

DEO will ensure that both CareerSource Tampa Bay and CareerSource Pinellas area staff verify that all required actions for OJT participants are recorded, legible, accurate upon enrollment, and implemented in full compliance with program eligibility requirements.

2.6 FLDEO must review and determine that participants enrolled in the OJT program from July 1, 2013, through June 30, 2018, were eligible and suitable for the OJT program by following WIOA requirements. Reimbursement payments made to employers for OJT program services during the period July 1, 2013, through June 30, 2018, in the amount of \$9,753,923.75 are questioned and subject to disallowance.

CAP Response: In August of 2018, DEO enhanced the OJT sections of the programmatic monitoring review tool to expand the participant file review process for Program Year 2018-2019 and future year monitoring review cycles. This further ensures that OJT participant files being examined are meeting all necessary federal and state requirements. Additionally, the OJT policy was revised to further clarify management review oversight and practices in administering the OJT program statewide.

The following corrective actions are in progress:

- DEO fiscal and programmatic monitoring staff will jointly take the following steps:
 - Identify all OJT participants from CareerSource Tampa Bay and CareerSource Pinellas for Program Years 2013 through 2018 and their related payments.
 - Review and evaluate all OJT eligibility documentation provided by CareerSource Tampa Bay and CareerSource Pinellas to determine whether the participants were eligible.
 - Verify whether reimbursements made to employers were valid.
 - Prepare the final report identifying individuals deemed ineligible and recalculate questioned costs.
- CareerSource Tampa Bay will procure an independent external firm to assist in the review of question costs.

3 Finding 3: Supportive Services Payments Potentially Issued to Ineligible Participants

3.1 Both CareerSource Tampa Bay and CareerSource Pinellas must develop supportive services policies and procedures that include appropriate assessment of participant need for supportive services and establish a supportive services system that provides for assistance in the actual amount of need.

CAP Response: CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay has completed the following corrective actions towards compliance:

- Revised the supportive service policies and procedures to ensure appropriate and sufficient internal controls are in place regarding eligibility, issuance, storage and reconciliation of supportive service throughout the local area in August 2018. The policy was subsequently revised and approved by the Board of Directors (Attachment 3. 1) – **completed March 2019.**
- Developed staff procedure desk guide to support the supportive service policy (Attachment 3. 2) – **completed March 2019.**
- Updated their desk guides to reflect updated policies and changes. CareerSource Tampa Bay changed the Statement of Needs policy for WIOA and WT/SNAP E&T programs to include exclusion of benchmarks and reduced dollar amount of support service per need, based on transportation research – **completed March 2019.**

CareerSource Pinellas has completed the following corrective actions toward compliance:

- Supportive services changes were implemented by the Interim Executive Director which immediately discontinued several, if not all, mentioned previous practices. These changes were communicated to all CareerSource Pinellas staff via email as well as directions were further clarified for all Programs staff (Attachment 1.3) – **completed July 2018.**
- Launched an updated participant Statement of Need form to ensure services offered were in line with all immediate changes (Attachment 3.3) – **completed July 2018.**
- Updated the Support Service standard operating procedures (Attachments 3. 4 and 3.5). Implementation of policy changes ensured:
 - Appropriate and compressive assessment of participant needs were completed prior to issuance of services;
 - Removed all programmatic benchmarks and incentives;
 - Reemphasized and established, where needed, annual service caps; and
 - Realigned determination of eligibility to be in full compliance with WIOA regulations – **completed July 2018.**
- Implemented a process to review the supportive services cap to ensure a participant is not allowed to exceed the set cap for every supportive service issuance. Review of the dollar cap is completed by two staff members within the customer tracking systems (One-Stop Service Tracking and Employ Florida) (Attachment 3. 6) – **completed July 2018.**

The following corrective actions are in progress:

- CareerSource Tampa Bay is seeking guidance from CareerSource Florida regarding specific language contained in their draft supportive service policy.
- DEO will update the financial monitoring tool to ensure a sampling of issuance of prepaid gas/VISA gift cards are supported by documentation indicating the participant's eligibility and need for the supportive services. DEO is also updating the Grantee-Subgrantee Agreement with all LWDBs to include the following language:

"The Board hereby certifies to DEO that written administrative procedures, processes, and fiscal controls are in place for the payment of supportive services including, but not limited to prepaid gas and/or VISA cards. Controls must address issuance, storage, and reconciliation of prepaid gas/VISA cards. The Board must maintain documentation supporting the eligibility of the receipt of supportive services and that the value of the supportive service is consistent with the documented need(s) of the participant(s)."

DEO will ensure that both CareerSource Tampa Bay and CareerSource Pinellas develop supportive services policies and procedures that include appropriate assessment of participant need for supportive services and establish a supportive services system that provides assistance in the actual amount of need. Additionally, DEO will ensure that LWDB policies follow federal law and state policy/guidance.

3.2 Both local areas must also document that they expended funds based on actual participant need. The gas/VISA cards issued in both local areas for supportive services from July 1, 2013, through June 30, 2017 in the amount of \$5,449,113 are questioned and subject to disallowance.

CAP Response: The PY 2018-19 financial monitoring tool was updated to include walkthroughs of controls surrounding the prepaid gas/VISA cards at each workforce board to verify proper internal controls surrounding issuance, storage, and reconciliation of these cards.

The following corrective actions are in progress:

- The DEO fiscal monitoring tool will be updated to include the following:
 - Ensure that the existence of adequate documentation supports the eligibility for the receipt of supportive services including, but not limited to gas/VISA cards.
 - Evaluate whether the value of the supportive service provided is consistent with the documented need of the participant.
 - Select a sample of participants to contact to ensure they received services from the local board's career center.

- DEO fiscal and programmatic monitoring staff will jointly take the following steps:
 - Identify all gas/VISA cards issued for supportive services by CareerSource Tampa Bay and CareerSource Pinellas for program years 2013 through 2018.
 - Review and evaluate eligibility documentation for each participant.
 - Determine whether value of the gas/VISA cards provided was supported by the participant's documented need.
 - Identify individuals deemed ineligible.
 - For eligible participants, compare documented need to the value of the gas/VISA cards provided.
 - Recalculate questioned costs.
- CareerSource Tampa Bay will procure an independent external firm to assist in the review of questioned costs.
- CareerSource Pinellas plans to hire a consultant or assign staff to review the gas VISA cards issued for supportive services to determine compliance with program eligibility requirements.

4 Finding 4: Improper Business Services Staff Incentive Compensation

4.1 The structure of the incentive plans in place emphasized performance results in ways that contributed to unethical behavior and the fabrication of records that the two local areas should not have reported as positive outcomes. The LWDBs must put the incentive plans on hold until the issues identified in this report are resolved.

CAP Response: CareerSource Tampa Bay and CareerSource Pinellas completed corrective actions prior to the issuance of the compliance review report:

- CareerSource Tampa Bay has discontinued all monetary incentives based on performance – **completed August 2018.**
- CareerSource Pinellas has eliminated the Business Services incentive program – **completed August 2018.**

The following corrective action is in progress:

- DEO will include the review of bonuses, pay raises, and benefits in the fiscal monitoring tool to ensure that the costs are reasonable, necessary for the performance of the award, and are a prudent use of federal funds. The monitoring tool will also ensure compliance with local policy.
- CareerSource Tampa Bay is in the process of engaging with a Human Resource Consultant to review the current compensation and benefits for LWDB staff are reasonable for the performance of the award.

4.2 Additionally, the LWDBs should review and revise these benefits to ensure that costs are reasonable, necessary for the performance of the award, and are a prudent use of federal funds.

CAP Response: CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay has completed the following corrective actions toward compliance:

- Modified the business services compensation structure. The incentive structure was removed and the compensation of business services staff were adjusted. Ninety-five percent of the 2017 incentive earned by Business Services and Account Executive and Recruiters was used as a benchmark for the compensation adjustment – **completed August 2018.**

CareerSource Pinellas has completed the following corrective actions toward compliance:

- Eliminated the Business Services incentive program in August 2018. On September 18, 2018, the Board of Directors voted to increase the base salaries for Business Services Account Executives to the current established range (Attachment 4.1) – **completed September 2018.**

4.3 While making sure to follow union agreements and local employment laws, the State should work with both local areas to reprimand or terminate employees who falsified records.

CAP Response: DEO will require CareerSource Tampa Bay and CareerSource Pinellas to work with DEO staff to identify all employees who falsified records. Upon the identification of all employees who falsified records, DEO will ensure the appropriate disciplinary action is taken.

4.4 For the period of July 1, 2013 to June 30, 2017, ETA questions the Business Services staff incentives totaling \$2,031,886.12, subject to disallowance.

CAP Response: The following corrective actions are in progress:

- DEO fiscal and programmatic monitoring staff will jointly take the following steps:
 - Identify all Business Services staff who received bonuses from CareerSource Tampa Bay and CareerSource Pinellas from July 1, 2013 to June 30, 2017.
 - Identify all Business Services staff who falsified records.

- Analyze bonuses for staff who did not falsify records to determine whether they were reasonable, necessary for the performance of the award, and were a prudent use of federal funds.
- Recalculate questioned costs.
- CareerSource Tampa Bay will procure an independent external firm to assist in review of questioned costs.
- CareerSource Pinellas plans to address the findings of questioned costs by hiring a consultant or assigning staff to review the Business Services Staff incentives in order to determine compliance.

5 Finding 5: Improper Executive Director and Management Compensation Salary Increases

5.1 The CareerSource Tampa Bay and CareerSource Pinellas LWDBs should have ensured that they paid salary increases and cost of living adjustments in accordance with each entity's personnel policy and procedures.

The LWDBs must review their personnel policies and ensure that the administrative entity is abiding by these personnel policies and procedures regarding personal compensation paid to staff.

CAP Response: CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay has completed the following corrective actions toward compliance:

- Established itself as the employer of record – **completed September 2018.**
- Had employee handbook reviewed by legal counsel and third-party HR consultant and adopted by CareerSource Tampa Bay – **completed August 2018.**

CareerSource Pinellas has completed the following corrective actions toward compliance:

- Provided the new salary cap for Florida chief elected officials to the board of directors for reference in establishing the salary range for the CEO position – **completed prior to May 2019.**

The following corrective actions are in progress:

- DEO will update the financial monitoring tool to include:
 - A review of personnel policies and procedures to ensure compensation paid to staff are reasonable, necessary for the performance of the award, and are a prudent use of federal funds.

- A review to determine whether the board is in compliance with the policies and procedures.
- DEO is updating the Grantee-Subgrantee Agreement to include the following language:

“No changes to compensation for executive staff of the board are allowed without documented board approval and must be in alignment with local policies and procedures.”

- The CareerSource Pinellas Board approved the Compensation Review that will be completed in June 2019. CareerSource Pinellas is moving toward clear job titles that reflect the functions of the position and compensation. In conjunction with the benefit and stipend outlined in Finding 4.2, CareerSource Pinellas will present a clear and current picture of total compensation.
- CareerSource Pinellas is working with the Compensation Committee to conduct a full compensation/benefits review in the spring of 2019, including a review of the benefits stipend, compensation, benefits and salary ranges. The Compensation Committee is chaired by a Board member appointed by the Board Chair and responsible for:
 - Reviewing and evaluating employee performance review process.
 - Reviewing, evaluating and making recommendations to the Board of Directors relating to the approval of employee pay and compensation plans.
 - Reviewing and evaluating employee benefits programs and making recommendations to the Board of Directors relating to the approval of these programs.
 - Evaluating and approving training policies to ensure that employees meet the necessary requirements under the Workforce Innovation and Opportunity Act.
 - Providing assistance with planning, operational and other issues relating to the provision of fair labor practices in the workplace.

5.2 The CEO’s salary increased seven (7) times between September 2006 and December 2017 without formal approval by the CareerSource Pinellas or CareerSource Tampa Bay. Costs totaling \$408,487, equivalent to the increase in salary not formally approved by the LWDBs, are therefore questioned and subject to disallowance.

CAP Response: The following corrective actions are in progress:

- DEO fiscal and programmatic monitoring staff will jointly take the following steps:
 - Review CEO’s personnel file;

- Review board meeting minutes, including compensation committee, executive committee, and full board meeting minutes;
 - Review other documentations and paperwork such as emails from the board chair that approve the raises in question;
 - Recalculate questioned costs.
- DEO will include the review of bonuses, pay raises, and benefits in the fiscal monitoring tool to ensure that the costs are reasonable, necessary for the performance of the award, and are prudent use of federal funds. The monitoring tool will also ensure compliance with local policy and that all bonuses, pay raises, and benefits paid to executive staff are approved by the Board.
 - DEO is updating the Grantee-Subgrantee Agreement to include the following language:

“No changes to compensation for executive staff of the board are allowed without documented board approval and must be in alignment with local policies and procedures.”

- CareerSource Pinellas plans to address the findings of questioned costs by hiring a consultant or assigning staff to review the CEO's salary increases in order to determine compliance.

5.3 In addition, bonuses paid to four (4) individuals, totaling \$59,430, are questioned and subject to disallowance, since they exceeded reasonable salary increases approved by the LWDBs. These four individuals also received substantial salary increases in addition to the annual bonuses.

CAP Response: The following corrective actions are in progress:

- DEO fiscal and programmatic monitoring staff will jointly take the following steps:
 - Review each individual’s personnel file for supporting documentation for pay raises and bonuses.
 - Identify if any of these staff were involved with falsifying records.
 - If the individuals were not involved in falsifying records, determine what a reasonable bonus/pay raise would have been.
 - Recalculate questioned costs.
- CareerSource Pinellas plans to address the findings of questioned costs by hiring a consultant or assigning staff to review the bonuses paid to four staff in order to determine compliance.

6 Finding 6: Lack of Staff Grievance Procedures and Equal Opportunity Representation

6.1 The two local areas must ensure grievance procedures and EO representation is available and made known to staff, participants, and other interested parties in the local workforce development system.

CAP Response: Grievance procedures are made available to all staff as part of their onboarding process and is included in both CareerSource Tampa Bay's and CareerSource Pinellas' policy manuals. Additionally, these procedures are available in both hardcopy and via both LWDB's intranets. Each LWDB has their own Equal Opportunity (EO) Officer whose other duties do not present a conflict of interest. Their names and contact information are prominently posted in all Career Centers and are made available to all employees. Both LWDBs have received training from DEO's Office for Civil Rights (OCR) in equal opportunity matters to ensure that they are knowledgeable and able to assist employees and customers as needed. The OCR conducted onsite monitoring for both LWDBs on April 6, 2019. This monitoring was done in accordance with 29 CFR Part 38 which is the implementation of the Nondiscrimination and Equal Opportunity Provisions of the Workforce Innovation and Opportunity Act.

CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay has completed the following corrective actions toward compliance:

- Role of EO Officer was moved from Director for Audits, Contracts and Procurements to Director of Public Relations/ Marketing – **completed March 2019.**
- CareerSource Tampa Bay Board appointed a Board member to receive notification of each ethics complaint filed through the EthicsPoint hotline – **completed March 2019.**
- Updated the grievance and complaint procedure form with the new EO Officer's information – **completed March 2019.**

CareerSource Pinellas has completed the following corrective actions toward compliance:

- Appointed a senior-level employee who does not administer any programs and services as the EO Officer – **completed prior to May 2019.**
- Announced the EO Officer and contact information was promulgated via multiple communications channel to include email notices to staff and partners. The "Equal Opportunity is the Law" posters containing the EO Officer's contact information are conspicuously posted at all career centers and offices, and on CareerSource Pinellas website for external customers and partners (Attachments 6.1, 6.2, 6.3) – **completed prior to May 2019.**

The following corrective actions are in progress:

- DEO is updating the Grantee-Subgrantee Agreement with the boards to include the following language:

“The Board must ensure grievance procedures and Equal Opportunity representation, consistent with 20 CFR 683.285, is available and made known to staff, participants, and other interested parties in the local workforce development system. The board must also adopt a whistle blower policy that facilitates the reporting of violations of policy or law without fear of retaliation.”

DEO will work with CareerSource Tampa Bay and CareerSource Pinellas to ensure that both local areas have updated grievance procedures in place.

6.2 The State and local areas should revisit their responsibilities under 2 CFR § 200.300, statutory and national policy requirements, including Whistleblower protections for reporting fraudulent activity.

CAP Response: DEO outlines general compliance requirements with federal programs in the Grantee-Subgrantee Agreement with each LWDB. Additionally, DEO published several programmatic policies which outline policy requirements on the DEO website, www.floridajobs.org. Each LWDB is monitored annually to ensure compliance with regulatory and financial rules. Whistleblower protections are monitored by the financial monitoring team using their current [2018-19 Financial Monitoring Tool](#) (Attachment 6.4).

DEO’s Office of Civil Rights has directed the EO Officer in each local area to conduct Equal Opportunity training for their employees which will include information on Whistleblower protections.

CareerSource Tampa Bay has completed the following corrective actions toward compliance:

- Launched an anonymous reporting hotline operated by a neutral third-party company, EthicsPoint, to ensure thorough and fair review of complaints and concerns – **completed June 2018.**
- Communicated the anonymous reporting hotline, EthicsPoint, to staff via email. An EO page was added to the intranet. In addition, an EthicsPoint brochure (Attachment 6.5) is provided as part of the onboarding of new hires – **completed June 2018.**
- Made a link to EthicsPoint accessible via the organization’s intranet. (Attachment 6.6) – **completed June 2018.**

CareerSource Pinellas has completed the following corrective actions toward compliance:

- Provided staff associates with easy access to EO-related policies, procedures, and forms to include Whistleblower and grievance on the intranet and the ADP portal at all times – **completed May 2019.**

The following corrective actions are in progress:

- CareerSource Pinellas will work with DEO and the Office of Civil Rights to ensure compliance with federal and state requirements including Whistleblower protections for reporting fraudulent activity.

6.3 They should ensure all staff and boards are aware and familiar with the requirements and ensure a transparent process is in place for reporting such activity.

CAP Response: DEO’s Office of Civil Rights has directed the Equal Opportunity Officer in each local area to conduct equal opportunity training for their employees which will include information on Whistleblower protections.

CareerSource Tampa Bay has completed the following corrective actions toward compliance:

- Assigned a new CareerSource Tampa Bay Board member to receive notification of each ethics complaint filed through the EthicsPoint hotline – **completed March 2019.**

CareerSource Pinellas has completed the following corrective actions toward compliance:

- To ensure a transparent process, the Board of Directors and staff were made aware of the requirement of reporting such activities during Board and staff meetings – **completed prior to May 2019.**
- Communication to CareerSource Pinellas staff was provided in weekly newsletters, team meetings and staff town hall meetings – **prior to May 2019.**

The following corrective actions are in progress:

- DEO is updating the Grantee-Subgrantee Agreement with the LWDBs to include the following language:

“The Board must ensure grievance procedures and Equal Opportunity representation, consistent with 20 CFR 683.285, is available and made known to staff, participants, and other interested parties in the local workforce development system. The board must also adopt a whistle blower policy that facilitates the reporting of violations of policy or law without fear of retaliation.”

- CareerSource Tampa Bay will provide to the Hillsborough County liaison formal grievances, as needed, per Interlocal Agreement – **effective July 1, 2019.**

DEO will require CareerSource Tampa Bay and CareerSource Pinellas to have a policy and/or process in place to ensure all staff and Board Members are aware and familiar with the requirements and ensure a transparent process is in place for reporting such activity.

7 Finding 7: Lack of Firewalls and Internal Control at CareerSource Tampa Bay and CareerSource Pinellas

The State, in collaboration with Chief Local Elected Officials (CLEOs) in CareerSource Tampa Bay and CareerSource Pinellas, must provide a corrective action plan that ensures: 1) appropriate internal controls are put in place if multiple functions are allowed to be performed by a single entity; and 2) separate entities are designated, or procured, to perform the three functions (fiscal agent, staff to the board, and direct service provider). This corrective action plan must conform to the requirements of 20 CFR § 679.410-430.

CAP Response: CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay has completed the following corrective actions toward compliance:

- The once combined local area operations are now separate – **effective September 1, 2018.**
- Established a new organizational structure that includes a Chief Executive Officer (CEO), Chief Operating Officer and Chief Financial Officer (CFO). The new CEO started January 21, 2019 (Attachment 7.1).
- CareerSource Pinellas and CareerSource Tampa Bay transitioned from a shared services model to a non-shared services model – **effective September 1, 2018.**
- Reviewed and completed the internal control questionnaire (Attachment 7.2) – **completed January 2019.**

CareerSource Pinellas has completed the following corrective actions toward compliance:

- Selected a new CEO at the October 2018 Board meeting.
- The Board of County Commissioners (BOCC) engaged a consultant to conduct a review of the current organizational structure and governance model for CareerSource Pinellas and make recommendations for improvement (Attachment 7.3). The BOCC requested the CareerSource Pinellas Board form an Ad Hoc Committee to review the Interlocal Agreement (Attachment 7.4) – **completed prior to May 2019.**
- Established a new organizational structure that was approved by the Board of Directors on June 5, 2019 (Attachment 7.5) – **completed June 2019.**
- Reviewed and completed the Internal Control Questionnaire and Assessment (ICQ). DEO and the Bureau of Financial Monitoring and Accountability used the ICQ as a self-assessment tool for evaluating internal controls (Attachment 7.6) – **completed prior to May 2019.**

- Reviewed CareerSource Florida policy and the Local Workforce Development Plan 2018-2020 outlining how CareerSource Pinellas carries out multiple responsibilities. This includes how CareerSource Pinellas develops appropriate firewalls to guard against conflicts of interest – **completed prior to May 2019.**
- The CareerSource Pinellas Executive Committee approved Kaiser Group Inc. to be contracted as the new One-Stop Operator (Attachment 7.7) – **completed September 2018.**
- The CareerSource Pinellas Board of Directors approved a new Interlocal Agreement between the LWDB and the Pinellas County CLEO (Attachment 7.8). This agreement established CareerSource Pinellas as fiscal agent, administrative entity and direct service provider. However, the Pinellas County BOCC can withdraw its approval of the LWDB performing those functions at any time. The new Interlocal Agreement also specified that performance and/or compliance audits are to be conducted by an independent firm selected by the full Board of Directors, or by the County's Division of Inspector General. Additionally, as the designated fiscal agent, the LWDB must submit for approval to the county an annual budget for the allocation and expenditure of all funds. CareerSource Pinellas must also report budget modifications to the county on a quarterly basis – **completed February 2019.**

The following corrective actions are in progress:

- DEO will review and evaluate current policies and guidance. DEO will revise applicable policies to ensure that, in conformance with requirements in 20 CFR 679.410-430, appropriate internal controls are in place for multiple functions performed by a single entity. Policy updates and guidance will:
 - Define internal controls and require components of internal control structures;
 - Strengthen conflict of interest standards; and
 - Strengthen firewall standards.
- DEO will update the financial monitoring tool to review the WIOA local plan for the following:
 - Separate entities are designated, or procured, to perform the three functions (fiscal agent, staff to the board, and direct service provider).
 - If the board performs more than one of these functions, DEO will verify that the local plan includes proper internal controls and these controls have been implemented.
- CareerSource Tampa Bay will engage an experienced workforce development consultant to work with Hillsborough CLEO, Board and CareerSource Tampa Bay to review current service delivery methods and structure to identify and help implement industry recognized firewalls and internal controls.
- The CareerSource Tampa Bay CLEO will retain services of an experienced workforce development consultant to provide a workshop to the Hillsborough CLEO and Board

on their requirements, roles and responsibilities, and appropriate systems of firewalls and internal controls.

- The CareerSource Tampa Bay CLEO is reviewing the Interlocal Agreement to ensure the inclusion of requirements to identify and monitor compliance of proper firewalls and internal controls for performance of multiple functions by a single entity.

8 Finding 8: Board Recruitment, Vetting, Nomination, and Appointment Inconsistent with WIOA Provisions

The chief elected officials in both local areas, in consultation with the State, must develop and implement clear processes and procedures for recruiting board members and documenting their qualifications in alignment with the requirements of WIOA, the regulations, and State policy. These processes and procedures should ensure that the board staff does not influence the selection of board members.

CAP Response: DEO requests technical assistance from the USDOL ETA regional team regarding the proposed state-corrective actions proposed for this finding. Additionally, CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay has completed the following corrective actions toward compliance:

- Reconstituted the Board using a formal nomination and appointment process that ensured procedures used and documentation of candidate qualifications aligned with requirements of WIOA, the regulations, and state policy. Appointed business representatives were nominated by local business organizations. Board staff were not involved in this process – **completed July 2018.**
- Board member appointments are made at the discretion of the Hillsborough BOCC. Eligible candidates are appointed based on the level of expertise, skillset and representation that may be needed in a particular industry to fulfill the requirements of the Board composition/structure – **completed July 2018.**
- All Board members are required to complete a questionnaire and standards of conduct form provided by Hillsborough County – **completed July 2018.**

CareerSource Pinellas has completed the following corrective actions toward compliance:

- Since July 2018, the LWDB replaced approximately 60 percent of its board members. The Pinellas County BOCC or CLEO reviewed and approved these members. CareerSource Pinellas held a Board Orientation for new and current Board Members – **completed July 2018.**
- In an effort to enhance public accountability and transparency, the BOCC specifically asked that the new By-laws include appointment of a CareerSource Pinellas Board

member position from the current Pinellas County School Board – **completed June 2019.**

- Board recruitment and membership application is now handled through the Pinellas County online portal and by Pinellas County staff. Through various press releases, available online, the county informs the public of vacancies on the CareerSource Pinellas Board of Directors and informs applicants on steps needed to apply (Attachments 8.1, 8.2). Representatives of business must be recommended by a Chamber of Commerce or another business organization. The Pinellas County BOCC appoints all Board members and is also in charge of any reappointments or removals. Pinellas County staff are charged to notify board members of term expiration, and provide re-application channels (Attachment 8.3)

The following corrective actions are in progress:

- DEO will convene the state’s CLEOs as the starting point to address the issues identified in this finding. During the convening, DEO intends to accomplish the following:
 - Provide an overview of the purpose and functions of the workforce development boards;
 - Provide detailed information about establishing a WIOA compliant board, including
 - The roles and responsibilities of the:
 - CLEO
 - Board Chair
 - Executive Director
 - Board Staff
 - Recruiting board members and membership compliance;
 - The nomination process; and
 - Establishing the local area’s By-laws.
- DEO anticipates that the convening will be held before December 31, 2019; the official date is to be determined. CLEOs, Board Members, and Board staff will be required to attend an annual training.
- DEO will review and evaluate current policies and guidance and revise applicable policies and/or develop local governance, oversight and administrative policies.
- CareerSource Pinellas’ CLEO is in the process of appointing new Board Members for the upcoming program year 2019-2020.
- The new CareerSource Pinellas By-laws were approved by the Board of Directors on June 5, 2019 and will be presented to the CLEO on July 23, 2019.

DEO will ensure that CareerSource Tampa Bay and CareerSource Pinellas develop and implement clear processes and procedures for recruiting, nominating, and appointing Board Members as well as documenting their qualifications in alignment with the requirements of

WIOA and state policy. These processes and procedures must guard against Board staff influencing the selection of Board members.

9 Finding 9: Chief Elected Officials Improperly Delegated Key Roles and Responsibilities

The State must work with both local areas to ensure that chief elected officials, not the boards or staff in CareerSource Tampa Bay and CareerSource Pinellas, are properly functioning as the authoritative governing bodies responsible for establishing the local areas' By-laws. The boards and the staff may assist and provide support in the process; however, the chief elected officials should perform this function to constitute an effective LWDB.

CAP Response: CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay has completed the following corrective actions toward compliance:

- The CLEO is in the process of revising the local area's Board By-laws to ensure proper checks and balances, voting membership guidelines, clearly define roles and responsibilities, and appropriate internal controls. Board staff are not involved in this process. Upon completion, the revised By-laws will be presented to the Hillsborough County CLEO for approval and adoption.
- The CLEO will retain services of an experienced workforce development consultant to provide a workshop to the Hillsborough CLEO on their requirements, roles and responsibilities to ensure they are functioning as the authoritative governing body for the local area.

CareerSource Pinellas has completed the following corrective actions toward compliance:

- The CareerSource Pinellas draft By-laws have been modified to explicitly list the roles/responsibilities of Board Members and sub-committees of the Board. All current Board members have been made aware of those roles/responsibilities and a copy of the By-laws was given to all Board Members (Attachment 9.1) – **completed February 2019.**
- At Pinellas County's request, an Ad Hoc Committee was formed to review the Interlocal Agreement and By-laws for LWDB 14. This Committee was made up of Board Members, including the assigned County Commissioner serving on the LWDB Board of Directors. This Ad Hoc Committee accepted the modifications directed by the CLEO, and those changes were approved by the Board (Attachment 7.8) – **completed February 2019.**

The following corrective actions are in progress:

- DEO will convene the state’s CLEOs as the starting point to address the issues identified in this finding. During the convening, DEO intends to accomplish the following:
 - Provide an overview of the purpose and functions of the workforce development boards;
 - Provide detailed information about establishing a WIOA compliant board, including
 - The roles and responsibilities of the:
 - CLEO
 - Board Chair
 - Executive Director
 - Board Staff
 - Recruiting board members and membership compliance;
 - The nomination process; and
 - Establishing the local area’s By-laws.

- DEO anticipates that the convening will be held before December 31, 2019; the official date is to be determined. CLEOs, Board Members, and Board staff will be required to attend an annual training.
- The new CareerSource Pinellas By-laws were approved by the Board of Directors on June 5, 2019 and will be presented to the CLEO on July 23, 2019.

DEO will ensure that the CLEOs and Board Members are educated about their roles and responsibilities. DEO will revise applicable policies and/or develop local governance, oversight and administrative policies and monitor for compliance.

10 Finding 10: Non-Compliant with WIOA Transparency and Sunshine Provisions

10.1 CareerSource Tampa Bay and CareerSource Pinellas must post, and make available electronically to the public, all minutes of formal meetings.

CAP Response: CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay completed the following corrective actions toward compliance:

- Updated their website, which now addresses transparency and WIOA Sunshine provisions, and includes Board and committee meeting agendas and minutes – **completed July 2017.**
- Legal counsel provided an overview of Sunshine Laws to Board Members – **completed August 2018.**

CareerSource Pinellas has completed the following corrective actions towards compliance:

- The Board of Directors adopted CareerSource Florida’s Ethics and Transparency policy (Attachment 10.1) – **completed October 2018.**
- Updated their website, which now addresses transparency and WIOA sunshine provisions. The website now includes all updated Board and committee meeting minutes and agendas (Attachments 10.2, 10.3, and 10.4) – **completed February 2018.**
- Publicly notices meetings in advance to allow for the provisions of Sunshine Law.

The following corrective actions are in progress:

- CareerSource Tampa Bay will develop an ethics and transparency policy to be considered for approval at the July 2019 board of directors meeting.

10.2 The State must also ensure that all local areas are compliant with these provisions

CAP Response: DEO completed several corrective actions prior to the issuance of the compliance review report. The following steps were taken to ensure local areas are compliant with these provisions.

- DEO issued a reminder memorandum to the LWDBs entitled, [Requirement to Post LWDB Meeting Minutes to Website \(Attachment 10.5\)](#) – **completed May 2018.**
- DEO evaluates LWDB compliance regarding posting formal meeting minutes during each local area’s yearly programmatic monitoring review.

The following corrective actions are in progress:

- DEO will update the financial monitoring tool to include a review of compliance with WIOA Transparency and Sunshine Provisions.
- DEO is updating the Grantee-Subgrantee Agreement to include a section on transparency. The agreement will require LWDBs to post meeting minutes on their websites.

11 Finding 11: CareerSource Tampa Bay and CareerSource Pinellas Lack Evidence of LWDBs Fulfilling Required Functions

The State must verify and ensure that the LWDBs are fulfilling their responsibilities under WIOA sec. 107(d) and Title 20 CFR § 679.370.

CAP Response: As required in 107(d), all LWDBs must develop and submit a four-year local plan, in partnership with the CLEO, and consistent with WIOA section 108. Each local area’s plan must include local strategies and assurances of actions LWDBs will take to ensure requirements in 107(d) are met, including, but not limited to:

- Convening local workforce development system stakeholders;
- Leading efforts to engage with a diverse range of employers;

- Developing strategies for using technology to maximize the accessibility and effectiveness of the local workforce development system for employers, and workers and jobseekers;
- Assessing the physical and programmatic accessibility of all one-stop centers in the local area; and
- Certification of one-stop centers.

Upon submission of each LWDBs' plan or modification, DEO reviews the plans in accordance with the requirements outlined in WIOA section 107(d) and Title 20 CFR § 679.370 as well as with requirements outlined in [Administrative Policy 93 – One-Stop Career Center Certification Requirements](#) (Attachment 11.1) – **issued February 2, 2017.**

CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay has completed the following corrective actions toward compliance:

- Conducted Board orientation to include an overview of several programs and administrative areas: Wagner-Peyser; WIOA; WT; SNAP E&T; Finance; Program Monitoring; DEO monitoring; Sunshine Law; and committee formation and attendance. Additionally, training regarding the roles and responsibilities for the LWDB and board staff, CLEO, DEO, CareerSource Florida, and Hillsborough County was completed. Board Orientation also included an in-person special presentation by Ron Painter, President of the National Association of Workforce Boards, who provided additional dialogue on LWDB member roles and responsibilities and shared several workforce development best practices. (Attachment 11.2) – **completed August 2018.**
- Updated the Board Orientation Toolkit for onboarding new members – **completed August 2018.**

CareerSource Pinellas has completed the following corrective actions toward compliance:

- Completed a Board Orientation for all Board Members (Attachment 11.3) This orientation provided an overview of workforce throughout the state of Florida, the role of the DEO and the CareerSource Florida network. Additionally, this orientation provided a comprehensive summary of the LWDB finances, an overview of Board governance, the various sub-committees and the role of the CLEO – **completed July 2018.**
- Updated the Board Orientation Toolkit for onboarding new members – **completed prior to May 2019.**

- Board Counsel provided an overview of the Sunshine Law. Shila Salem, Bureau Chief of One-Stop and Program Support, gave an overview of Board Members' responsibilities and authority – **completed July 2018.**

The following corrective actions are in progress:

- CareerSource Pinellas is working with DEO to verify and ensure that the LWDBs are fulfilling their responsibilities under WIOA sec. 107(d) and Title 20 CFR § 679.370.
- CareerSource Tampa Bay and the CLEO will be retaining services of an experienced workforce development consultant to provide a workshop to Board members to ensure they are aware of and fulfilling their responsibilities under WIOA sec. 107(d) and Title 20 CFR § 679.370. This training will be conducted annually with periodic updates as needed, and imbedded in the local area's training for new Board members going forward.

12 Finding 12: One-Stop Competitive Procurement Not Compliant

12.1 The LWDBs must conduct a competitive procurement as required by WIOA Section 121, 20 CFR§ 678.605, and 2 CFR § 200.319.

CAP Response: CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay has completed the following corrective actions towards compliance:

- Reissued the One-Stop Operator RFP:
 - Increased the value of the contract to meet the deliverables and intent of the One-Stop Operator; and
 - Expanded the scope of contracted services deliverables including establishing a Memorandum of Understanding database - **completed June 2019.**
- Secured Kaiser Group d/b/a Dynamic Workforce Solutions as the One-Stop Operator (Attachment 12.1).

CareerSource Pinellas has completed the following corrective actions towards compliance:

- Reissued the One-Stop Operator RFP:
 - Reissued RFP 18-0428 for One-Stop Operator services – **completed June 2018.**
 - Board approved recommendation to contract with Kaiser Group, Inc. d/b/a Dynamic Workforce Solutions as the One-Stop Operator – **completed July 2018.**

- Secured Kaiser Group, Inc. d/b/a Dynamic Workforce Solutions as the One-Stop Operator. Deliverables to include customer service training and bi-annual programmatic monitoring using DEO's monitoring tool (Attachment 12.2) – **completed November 2018.**

The following corrective actions are in progress:

- DEO will update the financial monitoring tool to include a review of the procurements of all One-Stop Operators. This will ensure that random sampling does not exclude One-Stop Operator Procurements. Compliance with the Uniform Guidance procurement requirements is currently included in the Financial Monitoring Tool.

12.2 The State must ensure that the LWDBs comply with the competitive procurement requirements in selecting the One-Stop Operator.

CAP Response: DEO completed several corrective actions prior to the issuance of the compliance review report. The following information was issued to the local areas regarding One-Stop Operator procurements:

- [Memorandum: Workforce Innovation and Opportunity Act \(WIOA\) and One-Stop Operator Provisions](#) – **issued June 9, 2015.**
- [Memorandum: Workforce Innovation and Opportunity Act One-Stop Career Center Operators Procurement Questions and Answers](#) – **issued August 31, 2016.**
- [Administrative Policy 97 – One-Stop Operator Procurement](#) (Attachment 12.3) – **issued September 25, 2017.**

The following corrective actions are in progress:

- DEO will work with CareerSource Tampa Bay, CareerSource Pinellas and CareerSource Pasco Hernando to ensure that One-Stop Operator competitive procurements comply with WIOA Section 121, 20 CFR§ 678.605, and 2 CFR § 200.319.
- DEO is including language in the updated Grantee-Subgrantee Agreement that reinforces the requirement to comply with 2 CFR 200.318-326. Compliance with the Uniform Guidance procurement requirements is currently included in the Financial Monitoring Tool.

13 Finding 13: Conflict of Interest Policies Not Compliant

13.1 The State must review and ensure that both local areas bring their conflict of interest policies into compliance with WIOA regulations and the Uniform Guidance requirements.

CAP Response: CareerSource Pinellas completed corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Pinellas has completed the following corrective actions towards compliance:

- Reviewed CareerSource Florida Policy and the Local Workforce Development Plan 2018-2020 outlining how CareerSource Pinellas carries out multiple responsibilities. This includes how CareerSource Pinellas develops appropriate firewalls to guard against conflicts of interest – **completed July 2017.**
- CareerSource Florida amended its Board Contracting Conflict of Interest Policy and applicable forms in May 2017. CareerSource Pinellas has been using the updated forms since July 2017, for the submission of its Board Members related party contracts (Attachments 13.1, 13.2, 13.3, 13.4) – **completed July 2017.**

The following corrective actions are in progress:

- DEO is currently revising the policy related to contracts made between the LWDB and Board Members or an entity for which that Board Member represents. The new policy requires the Board to send DEO a contract information form, conflict of interest statement signed by Board Member for which the conflict of interest exists, voting record, a draft of the entire agreement, documentation supporting the method of procurement (if applicable), and Board meeting minutes. The revised policy will also include a requirement that the Board Member for which the conflict exists, must abstain from voting and be required to leave the room during discussion and vote on the contract. This policy will be included within the updated Grantee-Subgrantee Agreement.
- CareerSource Tampa Bay's conflict of interest policy will be updated to include: "Board Members with a conflict of interest will be prohibited from participating in the decision-making process. This will require the Board Member to be excused from the board/committee meeting during any discussions involving their organization or funding prior to any voting".

13.2 The State should take additional steps to make sure CareerSource Tampa Bay and CareerSource Pinellas revise their conflict of interest policies and should conduct follow-up monitoring.

CAP Response: The following corrective actions are in progress:

- DEO is currently revising the policy related to contracts made between the Board and Board Members or an entity which that Board Member represents. The new policy will require LWDBs to send DEO the following information:
 - Contract information form;

- Conflict of interest statement signed by board member for which the conflict exists;
- Voting record;
- A draft of the entire agreement (new requirement);
- Documentation supporting the method of procurement (if applicable), (new requirement); and
- Board meeting minutes (new requirement).

The revised policy will also include a requirement that the Board Member for which the conflict exists, must not only abstain from voting, but will be required to leave the room during the discussion and vote on the contract. The policy will be included within the updated Grantee-Subgrantee Agreement.

- DEO/CSF requires a conflict of interest to be declared and if the contract is more than \$25,000, it must be approved by DEO/CareerSource Florida prior to execution. DEO's financial monitoring team will review all related party contracts to ensure that the boards comply with this policy prior to execution. This new monitoring procedure will become effective upon the issuance of the updated Grantee-Subgrantee Agreement.

14 Finding 14: CareerSource Tampa Bay and CareerSource Pinellas LWDB Compositions Not Compliant

14.1 The State must work with chief elected officials in both local areas to appoint new members that bring the boards into compliance with the business majority requirement.

CAP Response: Prior to the issuance of the compliance review report, all LWDBs were required to submit local Board Member rosters to DEO by April 15, 2019. Both CareerSource Tampa Bay and CareerSource Pinellas submitted their updated LWDB rosters. Upon DEO's review of the roster, CareerSource Tampa Bay's board met the business majority requirement at 51.6 percent and CareerSource Pinellas met the business majority requirement at 53.1 percent.

DEO's review of all the LWDB rosters and compositions included the following compliance elements:

- Business represented a majority of the board;
- At least 20% of the Board Members represented workforce; and
- The Board met the minimum representation requirements (education, vocational rehabilitation and other partners).

DEO will continue to review LWDB compliance with this requirement. DEO is also updating the Grantee-Subgrantee Agreement with the LWDBs to reinforce local board compliance with this requirement.

14.2 The board should fill vacancies as quickly as possible to ensure full and adequate participation of both public and private sectors in the local workforce systems.

CAP Response: DEO requests technical assistance from the USDOL ETA regional team regarding the proposed state-corrective actions proposed for this finding. Additionally, CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay completed the following corrective actions towards compliance:

- The Board of Directors was reconstituted by the Hillsborough County CLEO which complies with majority business and other composition requirements (Attachment 14.1).
- Local elected officials continuously monitor Board composition and work diligently to fill vacancies as quickly as possible to ensure full and adequate participation of both public and private sectors in the local workforce system.
- Board Member appointments are made at the discretion of the Hillsborough County Commissioners.
- Eligible candidates are appointed based on level of expertise, skillset and representation that may be needed in a particular industry to fulfill the requirements of the Board composition structure.

CareerSource Pinellas completed the following corrective actions towards compliance:

- Formed an Ad Hoc Committee to review the Interlocal Agreement and the LWDB By-laws – **completed February 2019.**
- The Board composition of CareerSource Pinellas is approved by the Governor for up to 45 seats (Amendment 14.2).
- The CLEO determined that CareerSource Pinellas can maintain compliance with fewer board members by maintaining the percentage balance of 50% business representatives and 20% Labor/Apprenticeship. The Board of Directors, in agreement with the CLEO, have agreed to reduce the size of the board to around 31 members (Attachment 9.1).
- Received confirmation from DEO that the LWDB was in compliance with LWDB composition requirements (Attachments 14.3, 14.4).

The following corrective actions are in progress:

- DEO will convene the state’s CLEOs as the starting point to address the issues identified in this finding. During the convening, DEO intends to accomplish the following:
 - Provide an overview of the purpose and functions of the workforce development boards;
 - Provide detailed information about establishing a WIOA compliant board, including

- The roles and responsibilities of the:
 - CLEO
 - Board Chair
 - Executive Director
 - Board Staff
- Recruiting board members and membership compliance;
- The nomination process; and
- Establishing the local area's By-laws.

15 Finding 15: Non-Compliant with Stevens Amendment

15.1 The State must work with all local areas to incorporate the Stevens Amendment provisions into their policies, processes, and monitoring procedures.

CAP Response: The following corrective actions are in progress:

- DEO is amending the Grantee-Subgrantee Agreement to include the requirement to incorporate the Stevens Amendment within all statements, press releases, procurements, and contracts.
- DEO will work with all LWDB Executive Directors and Chief Financial Officers or Finance Directors to make them aware of this provision. All LWDBs will be required to incorporate the Stevens Amendment provisions into their policies, processes, and monitoring procedures. The DEO financial monitoring tool will be updated to include this requirement.

15.2 The State must also monitor all local areas to ensure the implementation of the Stevens Amendment.

CAP Response: The following corrective action is in progress:

- The DEO financial monitoring tool will be updated to include compliance with the Stevens Amendment. When the DEO financial monitoring team selects an expenditure for testing during fiscal year 2019-2020 and subsequent years, the staff will also request and test the procurement documents, press releases, contract, and any other statement to ensure compliance with this provision.

16 Finding 16: State Did Not Conduct Adequate and Effective Oversight

16.1 The State must conduct more in-depth monitoring of the local areas to ensure compliance with provisions of WIOA, including governance structures, internal controls, and separation of duties.

CAP Response: DEO completed several corrective actions prior to the issuance of the compliance review report. DEO enhanced its process for programmatic monitoring of the LWDBs for Program Year 2018-2019 with the following actions:

- Increased the number of on-site programmatic monitoring reviews from five in 2017-2018 to 12 in 2018-2019 (Attachment 16.1).
- Revised the program monitoring participant file sampling methodology going to a random, stratified, and targeted approach to ensure every population served by the LWDB is represented in the sample (Attachment 16.2.).
- The programmatic monitoring team partnered with the data analysis team to conduct a data anomaly review prior to each monitoring visit. If areas were identified as needing further review, they were included in the monitoring sample. This process has been incorporated for all future monitoring visits.
- Revised its programmatic monitoring processes based on lessons learned and further strengthened both the Wagner Peyser and OJT Training monitoring questions (Attachment 16.3). The questions on the programmatic monitoring tools ensure that essential core functions are in place at the LWDB level within the boundaries established by law, regulation and state guidance. They also ensure that participant files being examined meet all necessary requirements for eligibility and training. Development of the PY 2019-2020 tools in September 2019 will allow an even greater focus on the most important aspects of the WIOA workforce programs' operations, services and activities. The tools will further clarify and/or better align questions with higher risk issues associated with WIOA law, state guidance or other cite reference changes made during the prior year. Other internal control steps for corrective action will be coordinated with DEO's financial monitoring staff and CareerSource Florida to develop and implement additional internal controls and increased monitoring of the boards' structure and responsibilities. To further improve on internal processes and strengthen state oversight, DEO will explore technology options that may be used to enhance tracking and monitoring governance compliance.
- DEO is updating the Grantee-Subgrantee Agreement with the LWDBs to address compliance with provisions of WIOA, governance structures, internal controls, and separation of duties.
DEO's financial monitoring tool will be updated to address compliance with the provisions of WIOA, governance structures, internal controls, and separation of duties.

16.2 As appropriate, the State should develop guidance and policies related to local governance, oversight, and proper administration at the local level.

CAP Response: The following corrective action is in progress:

- DEO will review and evaluate current policies and guidance and revise applicable policies and/or develop local governance, oversight and administrative policies.

16.3 The State should provide training and appropriate technical assistance to help local boards.

CAP Response: DEO completed several corrective actions prior to the issuance of the compliance review report:

- Provided intensive, on-site programmatic training and technical assistance on WIOA, Wagner-Peyser and the correct use of the Employ Florida system for the staff at CareerSource Tampa Bay and CareerSource Pinellas to ensure compliance with state and federal requirements – **completed February 2019.**
- Partnered with CareerSource Florida and Maher and Maher to implement a comprehensive WIOA program performance metrics training series (Attachment 1.9). The training series offered LWDBs a closer look at WIOA’s Primary Indicators of Performance, ways to measure and improve performance for Business Services and suggestions for aligning strategies to performance. The trainings were conducted through a blended approach using webinars, in-person meetings and other learning tools.
- Implemented a statewide training schedule to provide on-going training and technical assistance to the LWDBs. Trainings were held for all programs that are administered by the LWDBs including Wagner Peyser, WIOA, WT and SNAP E&T. This annual training schedule will ensure all LWDBs have an opportunity to attend training yearly and that services provided to job seekers follow federal and state guidelines – **implemented January 2019.**
- Completed a WIOA statewide training series during the months of March and April 2019. DEO held two, in-person training sessions with each session lasting two days. Multiple topics were covered during the training sessions.

Day 1 Training Topic	Training Elements
WIOA Youth Program Overview	<ul style="list-style-type: none"> • History • Populations (OSY and ISY) • Eligibility • Barriers • Supportive/Follow-up Services • Low Income
WIOA Youth Program Design	<ul style="list-style-type: none"> • Objective Assessment • Individual Service Strategy

	<ul style="list-style-type: none"> • 14 Program Elements
WIOA Adult and Dislocated Worker Eligibility	<ul style="list-style-type: none"> • Eligibility Criteria • Source Documentation
WIOA Adult and Dislocated Worker Program Design	<ul style="list-style-type: none"> • Basic Career and Individualized Services • Training Services
Documenting in Employ Florida/Walk through	<ul style="list-style-type: none"> • Pre/Post-tests • Measurable Skill Gain • Credential Attainment • Other

Day 2 Training Topic	Training Elements
WIOA Adult and Dislocated Worker Program Design	<ul style="list-style-type: none"> • Support Services • Follow-up Services Pre-and Post-Exit • Co-enrollment • Exit Requirements • ETPL • TOL
Measurable Skill Gains	<ul style="list-style-type: none"> • Who is in the measure and when • Types of Skill Gains • How to record Skills Gains in Employ Florida
Service Code Review	<ul style="list-style-type: none"> • Review of the most frequently used Service Codes
Work-Based Training	<ul style="list-style-type: none"> • Identifying the types of work-based training • Service codes associated with each type of work-based training • Recording of worksite, provider and O*Net code information
On-the-Job Training	<ul style="list-style-type: none"> • Eligibility • Defining on-the-job training • Employed workers • OJT Training Plan • OJT Contract Requirements • Payments to workers • Reverse Referral

	<ul style="list-style-type: none"> • OJT, Registered Apprenticeships and Pre-Apprenticeships
Workforce Statistics and Economic Research	<ul style="list-style-type: none"> • Overview

17 Finding 17: Lack of Internal Controls Over Supportive Services & Prepaid Credit Cards

17.1 Both the CareerSource Tampa Bay and CareerSource Pinellas must develop supportive services systems that provide funds to participants in the actual amount of need.

CAP Response: CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay has completed the following corrective action towards compliance:

- Researched alternatives to bank visa cards for supportive service items provided to eligible participants, including gas cards, bus passes, direct billing with select vendors, online ordering and reloadable debit cards – **completed October 2018.**

CareerSource Pinellas has completed the following corrective actions towards compliance:

- Stopped issuing visa cards to customer for supportive services other than transportation – **completed prior to May 2019.**
- Adopted a “pay the vendor” approach by using the local MICROIX system to process support service requests via voucher or check. By using a voucher or check, the exact dollar amount could be issued and both methods are payable directly to the vendor – **completed prior to May 2019.**

The following corrective action is in progress:

- DEO monitoring tool will be updated to include the following:
 - Review to determine if there is adequate documentation to support the eligibility for the receipt of supportive services including, but not limited to gas/VISA cards.
 - Evaluation of whether the value of the supportive service provided is consistent with the documented need of the participant.

17.2 The local areas should document that the participants’ expenditures are approved and allowable.

CAP Response: CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will

continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay completed the following corrective actions towards compliance:

- Reviewed and revised the supportive service policy (Attachment 3.1) – **completed August 2018.**
- The policy was approved by the CareerSource Tampa Bay Board of Directors – **completed March 2019.**

CareerSource Pinellas completed the following corrective actions towards compliance:

- Adopted a two-tier approval process for all issuance for support services - **completed prior to May 2019.**
- Supportive Service desk guides were updated to ensure all allowable services are clearly outlined (Attachments 3.4 and 3.5) – **completed prior to May 2019.**

17.3 Local areas should establish additional controls to safeguard both the number of cards issued and the funds available on the cards.

CAP Response: DEO, CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved. DEO began monitoring compliance with internal controls related to the storage, reconciliation, and access to gas cards/gift cards during the fiscal monitoring year 2018-19.

CareerSource Tampa Bay has completed the following corrective actions towards compliance:

- Revised the supportive service policies and procedures to ensure appropriate and sufficient internal controls are in place regarding eligibility, issuance, storage, and reconciliation of supportive service throughout the area – **completed March 2019.**
- Ceased the mail-out process of supportive service cards – **completed June 2018.**
- Developed staff procedure desk guide of the supportive service policy – **completed March 2019.**

CareerSource Pinellas has completed the following corrective actions towards compliance:

- Revised all supportive service policies and procedures to ensure appropriate and sufficient internal controls are in place regarding eligibility, issuance, storage and reconciliation of supportive service cards throughout the region – **completed prior to May 2019.**
- Modified its bank Visa distribution process and implemented additional internal controls to maintain the cards – **complete prior to May 2019.**
- Created desk guides to outline the internal monitor’s responsibility for completing center on-site reviews of issuance of support services, storage of supportive services

as well as completing a check of card balance on a random sample of supportive service cards – **completed prior to May 2019.**

- Ceased the mail-out process for all supportive services cards for all programs – **completed prior to May 2019.**

The following corrective actions are in progress:

- DEO programmatic monitors will begin monitoring internal controls regarding participant eligibility and issuance during fiscal year 2019-2020.
- The financial and programmatic monitoring teams will work together to ensure that supportive services were provided based on need, were reasonable and necessary, and participants receiving these services were eligible.
- DEO is updating the Grantee-Subgrantee Agreement to include the following certification by the LWDBs:

“The Board hereby certifies to DEO that written administrative procedures, processes, and fiscal controls are in place for the payment of supportive services including, but not limited to prepaid gas and/or VISA cards. Controls must address issuance, storage, and reconciliation of prepaid gas/VISA cards. The Board must maintain documentation supporting the eligibility of the receipt of supportive services and that the value of the supportive service is consistent with the documented need(s) of the participant(s).”

17.4 The State must conduct a full review of all credit card balances to determine the actual amount of cash on hand and ensure supportive service payments were based on actual needs.

CAP Response: The following corrective action is in progress:

- The DEO financial monitoring team will conduct a full review of the prepaid gas/VISA card balances to determine the actual amount of cash on hand. DEO financial monitoring team will review each board’s policies and procedures to ensure the board is performing a reconciliation of the prepaid gas/VISA card balances.

17.5 The LWDBs must also establish adequate internal controls to safeguard these funds.

CAP Response: CareerSource Tampa Bay and CareerSource Pinellas completed several corrective actions prior to the issuance of the compliance review report. Both areas will continue to work towards steps to fully comply with report findings until they are satisfactorily resolved.

CareerSource Tampa Bay has completed the following corrective actions towards compliance:

- Imposed stricter requirements on monitoring procedures – **completed prior to May 2019.**
- Revised the supportive service monitoring procedures – **completed March 2018.**
 - In addition to scheduled bi-monthly inventory counts, the local area added unannounced periodic reviews of supportive service cards. The local area also continues its regular, on-going monitoring of supportive service cards, which includes:
 - Verifying of on-hand inventory;
 - Performing a physical count of the inventory and verifying card amounts back to the card tracker (system that tracks support service cards);
 - Performing a reverse check to ensure cards listed on the card tracker are physically located in the safe;
 - Confirming cards have not been used prior to issuance by selecting a sample of cards and verifying the full balance of the card is intact; and
 - Monitoring the quantity on-hand to avoid surplus of on-hand inventory.

CareerSource Pinellas has completed the following corrective actions towards compliance:

- Imposed stricter requirements on monitoring procedures. In addition to scheduled bi-monthly inventory counts, the local area added unannounced periodic reviews of supportive service cards. The local area also continues its regular, on-going monitoring of supportive service cards and sufficient internal controls are in place regarding eligibility, issuance, storage and reconciliation of supportive service throughout the LWDB – **completed prior to May 2019.**