

MEETING:	DESC Audit and Finance Committee Meeting	DATE:	August 27, 2018
IN-PERSON ATTENDEES:	DESC Board/Committee Members: Chris Uhl, Mark Redman DESC Staff: Terri Weems, Stephanie Nixon, Alessia Baker-Giles, Robert Shimkoski, Lynette Robinson, Cristal Perry, Jade Bursey, S. Rene Fowler Guests/Presenters:	LOCATION:	440 E. Congress, Corporate Conference Room, 3R, Detroit, Mi 48226
VIA TELEPHONE:	DESC Board: Ric Preuss, Alice Thompson, Paul Trulik DESC Staff: Nicole Sherard-Freeman	CALLED TO ORDER:	10:04 am
ABSENT:	Excused: Maria Woodruff-Wright Unexcused:	ADJOURNED:	10:27 am
FACILITATOR:	Chris Uhl, DESC Audit and Finance Committee Chair	DATE MINUTES APPROVED/ADOPTED:	

ITEM	DISCUSSION	OUTCOME/ACTION ITEM(S)
Call to Order, Welcome and Introductions	Chris Uhl, DESC Treasurer, Audit and Finance Committee Chair called the meeting to order at 10:04 am, August 27, 2018.	
Approval of Draft Agenda	Chris Uhl, DESC Treasurer, Audit and Finance Committee Chair Requested a Motion to approve the Meeting's Draft Agenda. Motedioned: Mark Redman Secodeded: Paul Trulik Motion Carried-Passed/Approved Unanimously	Approval of Meeting Draft Agenda Motion Carried-Passed/Approved Unanimously
Approval of Meeting Minutes: June 18, 2018	Chris Uhl, DESC Treasurer, Audit and Finance Committee Chair Requested a Motion to approve June 18, 2018 Audit and Finance Committee minutes. Motedioned: Alice Thompson Secodeded: Mark Redman Motion Carried-Passed/Approved Unanimously	Approval of Meeting Minutes dated June 18, 2018 Motion Carried-Passed/Approved Unanimously
Old Business	Terri Weems, CPA, CFO, DESC: DESC continues the office search as we review the responses from the Office RFP. Expect a winner will be announced in the next week or so. The state has granted approval to extend DESC current lease. There is an expectation to move in a few months, by early 2019, and into a space that can accommodate the Mayor's Office, The Workforce Development.	

<p>Finance Report</p>	<p>Terri Weems:</p> <p>Budget/Finance Update</p> <p>Gave an overview of the FY2019 August Forecast Summary. The budget that was ultimately approved was in the amount of \$59.5M. Since June \$2.5M in additional funding, has been identified. This includes 500K for Breithaupt, revised estimates of executive order, bridge carry- over, and additional grants. There is an indication that we may receive more executive order fees than we originally anticipated, there may be additional appropriations that have not been included in this forecast.</p> <p>We also continue to look for opportunities to blend and braid to the extent we receive additional competitive awards to make the most efficient use of those funds and maximize outcomes for participants.</p> <p>Audit Update</p> <p>Last years audit resulted in a clean opinion. However, we had some control deficiencies that needed to be remediated, the CDBG Grant control deficiency related to timecards and support for student wages. We expect that the auditors will look at CDBG again. We are performing remediation work and are prepared. Usually the Auditors reach out to the Audit and Finance Committee Members as part of their normal and ordinary routine, fraud and required communications.</p> <p>Strategy and Operations Update</p> <p>We recently realigned some of our resources to better support our work. As it relates to the Audit and Finance Committee, I wanted to report that the procurement and contract administration which was formerly being reported through Program is now moving over to Finance.</p>	

<p>Policy Reviews</p>	<p>Terri Weems reported that DESC is in the process of reviewing all policies. This will be a recurring process that may take a number of years.</p> <p>Two policies for review are with respect to the <u>Credit Card Policy and Fraud.</u></p> <p>DESC has a debit card policy for the company debit card, which was used regularly for business purposes, but; it is cumbersome. We would like to move toward the usage of a company credit card to allow us to function in the same way except, purchases and travel arrangements won't be delayed because of the need to wait for dollars to be loaded on to the debit card. We developed a policy around the usage of the card with the help of our workforce agency expert Thomas Diehl, CPA...</p> <p>The credit cards will be through American Express.</p> <p>We have looked at all of our vendors to develop an approximation of the amount of expenses we that would go on the corporate card as opposed to the debit card and arrived at 2 – 4 million dollars annually. DESC receives a 1 - 2% incentive back at the end of the year. So, to the extent we spend \$4 million dollars, we'll receive \$40,000 in non-restricted funding or funds back.</p> <p>A motion to approve the credit card policy with modifications was made by Mark Redman, supported by Alice Thompson.</p> <p><u>FRAUD, ABUSE, WASTE and CRIMINAL CONDUCT POLICY</u> is being updated because the state issued recent guidance on reporting requirements.</p> <p>Immediate reporting of fraud is required within 24 to 48 hours of notification or of becoming aware. We are required to report to the state and conduct an investigation. We have updated our policy to reflect this, and also shared this communication with our employees and the One Stops to ensure that everyone is aware that any suspected <u>Fraud</u> is to be reported immediately.</p>	<p>Motion Carried- Approved/Approved Unanimously</p> <p>Motion Carried- Approved/Approved Unanimously</p>
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	A motion to approve the updated Fraud, Abuse, Waste and Criminal Conduct Policy was made by Alice Thompson, supported by Mark Redman.	
Public Comments	No members of the public were present.	No members of the public were present.
Adjournment	Chris Uhl, DESC Treasurer, Audit and Finance Committee Chair Requested for Motion to adjourn the meeting: Motioned: Alice Thompson Seconded: Mark Redman/Paul Trulik	Approval of Adjournment Motion Carried- Passed/Approved Unanimously

DRAFT SUBMITTED BY:

Printed Name: S. Rene Fowler

Title: Executive Administrative Assistant

Signature: *S. Rene Fowler*

Date: 9/4/2018

DATE MINUTES APPROVED/ADOPTED: _____ **Initials:** _____

NEXT MEETING: November 29, 2018 at 10:00 am – 11:30 am

