

SWWDB – FINANCE COMMITTEE MEETING
SEPTEMBER 13, 2006
MINUTES
4:00 to 5:00 p.m.
Mr. Schraeder, Acting Chairperson

The SWWDB Finance Committee met on Wednesday, September 13, 2006 at the Richland County Job Center in Richland Center. Attendance was as follows:

Members Present:	Mr. Tom Schraeder	Mr. Randy Jacquet
	Ms. Tammie Engelke	
Members Excused:	Mr. James Finley, Chair	Shari Schaff
Staff Present:	Ms. Annette Meudt	Dr. Bob Borremans
	Ms. Barb Tucker	

Mr. Schraeder called the meeting to order at 4:00 p.m. in the absence of Mr. Finley.

1. Review of Financial Statement for August, 2006

Ms. Meudt presented the August, 2006 Financial Statements. No areas of concern were recognized at this time. Ms. Meudt informed the Committee that the Opportunities Industrialization Center, Inc. (OIC) project is scheduled to end on September 30, 2006. There is potential for this grant to be renewed at \$120,000 to operate from October 1, 2006 through September 30, 2007. The process for accepting this grant is in negotiation, as OIC has expressed its desire to independently operate this project without the administrative oversight of SWWDB. Dr. Borremans explained that SWWDB was asked by the State to administratively oversee this project in an effort to assist OIC in developing the systems needed to administer their own funding. OIC has not been a grant recipient under WIA, and has not received a grant since 1998 which was under JTPA. This grant is part of a three year package, with funding for the three years being committed annually.

Ms. Meudt further noted that most grants are just getting underway as the new program year began on July 1, 2006 and there are no concerns at this time. She reminded the Board that the Farm Future Fields Grant will be ending on June 30, 2007. Dr. Borremans explained that other sources of funding will be sought to continue either a statewide or local effort in the farming area.

Ms. Meudt pointed out some changes in the grants for this year. The changes include the WISE Program (formerly Title V), which gained slots in Rock County with the remaining counties to be served by an agency called Age Advantage. The Disability Navigator was given a small amount of funding (approximately \$30,000) with verbal commitment of \$90,000. A new grant is the Safe Lifting Grant which is a statewide effort. SWWDB submitted several proposals but only one grant (\$20,000) was awarded to Mercy Health Systems. The purpose of the funding is to train staff to properly lift to prevent injuries on the job, to keep people in the healthcare system. Another grant of \$100,000 was received for the Virtual Job Center. Dr. Borremans indicated it is hoped that the website would go "live" in December of 2006.

Ms. Meudt indicated that SWWDB has added leased employees. Employees were added for Richland and Grant Counties, with the possibility of adding 4 to 5 people by December 31, 2006. Ms. Meudt further reviewed the balance sheet – explaining the categories and the balances.

Ms. Engelke moved and Mr. Jacquet seconded a motion to approve the Financial Statement for August 2006 for presentation to the full Board. Motion carried unanimously.

2. Payment Authorization Policy E-410

Ms. Meudt explained that SWWDB has been using the Payment Authorization System (PAS) financial system for approximately 4 years without a policy. All program operators are required to use the PAS system to obligate and voucher support and training funds for participants. Ms. Meudt indicated that federal regulations require WDAs to obligate 80% of our WIA funds allocated by June 30, 2007, statewide, or money will be rescinded. The Program Operators and Managers like this System because they have real time access to the availability of funds. The WDA Boards in Fox Valley and Green Bay purchase the PAS system from us. A sample of a report available through PAS was distributed for review.

Dr. Borremans indicated that SWWDB's most recent State Monitoring Report indicated the need for written policies and procedures for our WDA. This policy is a direct response to this report. Although this system was being used, there was no formal policy identifying that PAS was the fiscal system and that Program Operators were required to use it. A discussion ensued comparing the ASSET Client Tracking System to the PAS fiscal system.

Mr. Jacquet moved and Ms. Engelke seconded a motion to approve the Payment Authorization Policy E-410 for presentation to the full Board. Motion carried unanimously.

3. Budget Modifications

Ms. Meudt identified one item not on the agenda that related to the comment made at the June meeting. This related to the State saying that there may be additional WIA funds made available in October. It was hoped that changes in data used to make allocation awards (i.e. Beloit being designated an area of substantial unemployment and economically distressed), SWWDB may be targeted for additional funds. This has not come to fruition. Dr. Borremans indicated that dollars were diverted to states with high unemployment caused by hurricane relief (i.e. Louisiana) or structural economic changes (i.e. Michigan).

Ms. Meudt noted that two grants previously discussed – the Safe Lifting Grant and the Virtual Job Center Project – were not approved when the Board established the budget in June. She asked for a motion to include the \$20,000 Safe Lifting Grant and \$100,000 for the technology-based Virtual Job Center Grant in the 2006-07 budget.

Mr. Jacquet moved and Ms. Engelke seconded a motion to include the \$20,000 Safe Lifting grant and \$100,000 "Virtual" Job Center grant be included in the 2006-07 budget. Motion carried unanimously.

4. State Fiscal Monitoring Report

Ms. Meudt indicated that this year's DWD monitoring was interesting because SWWDB has a new local program liaison. She indicated that the fiscal monitoring was a desk review instead of an on-site review this year. The program monitoring was on-site and resulted in a large number of issues including several disallowed costs amounting to \$1,097.29. Systems were put in place immediately to prevent future disallowed costs and to ensure that this type of activity does not occur again. Ms. Meudt stated that these are the first disallowed costs SWWDB has experienced. Dr. Borremans indicated that the Southwest WDA was not alone

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in being cited for disallowed costs. It seems that DWD was out looking to find issues and he mentioned that records were reviewed from 4 to 5 years ago without a record of what policies were in effect during that time period.

Ms. Meudt indicated that SWWDB must repay DWD for the disallowed costs. Funds needed to come from non-WIA funds. She requested authorization to transfer funds from the SWWDB Corporate account to reimburse the appropriate WIA accounts.

Ms. Engelke moved and Mr. Jacquet seconded a motion to transfer \$1,097.29 from the WDA Corporate account to reimburse the appropriate WIA accounts. Motion carried unanimously.

5. Audit Presentation

Ms. Meudt stated that the audit is scheduled for the week of October 9th. In the past, Mr. David Odahl, Senior Auditor for Wegner LLP, made a detailed audit presentation to the Finance Committee followed by another detailed presentation to the full Board. Mr. Odahl is asking if this year, he could make a full presentation to the Finance Committee with an abbreviated version to the Board. Mr. Odahl would be available at the Board meeting to answer any questions.

There were concerns in the past with audit presentations not being presented to the full Board. In an effort to address this issue, the practice of presenting two (2) full reports, one to the Finance Committee and one to the full Board was initiated. Dr. Borremans asked if this practice may be "overkill." He stressed that any Board member could attend the Finance Committee meeting to hear the full audit report if desired and that Mr. Odahl would be available for any questions at the full Board Meeting.

Mr. Schraeder asked for clarification regarding a previous discussion of having a separate Audit Committee vs. the Finance Committee. Ms. Meudt stated that the recommendation from the audit firm suggested that SWWDB have an Audit Committee, but the Finance Committee could serve this role. Having a committee with primary responsibility for the audit allows discussions to occur directly between the Board and the audit firm. This enables committee members to ask questions freely of the audit firm or the audit firm to express concerns about financial management without being uncomfortable with staff in the room. November 6, 2006 at 2:30 p.m. was earmarked for the Finance Committee to hear the preliminary audit report. The meeting will be held at the Administrative Office in Platteville.

Ms. Engelke moved and Mr. Jacquet seconded a motion to recommend to the Board that a full audit report provided to the Finance Committee with an abbreviated version made to the full Board. Motion carried unanimously.

6. Other Business

None.

7. Schedule Next Meeting

The next meeting of the Finance Committee is scheduled for November 6, 2006 at 2:30 p.m. to review the preliminary audit results.

8. Adjournment

Mr. Schraeder adjourned the meeting at 5:03 p.m.