

**CareerSource Pinellas
Audit Committee Minutes**

Date: July 30, 2018, 9:30 a.m.
Location: 13805 58th Street North, Clearwater, FL.33760

Call to Order

Chairman David Fetkenher called the meeting to order at 9:30 a.m. There was a quorum present, with the following Audit Committee members participating.

Committee Members in attendance

Jack Geller, Comm. Kenneth Welch (via phone-in lieu of Comm. Gerard)

Guests

Whitney Creech (Comm. Gerard's office)

Staff Present

Jennifer Brackney, Anna Munro, Luna Clarke

Action/Discussion Items

Action 1- Approval of Minutes

The minutes of the November 28.2017 Audit meeting were presented for approval.

Motion: Jack Geller
Second: Commissioner Welch

The minutes were approved as presented. Motion carried unanimously.

Action 2 – Approval of WorkNet Pinellas Financial Statements

The Audit Engagement Letter with Powell & Jones, CPAs was enclosed in the meeting packet. The Engagement Letter would serve as an agreement regarding the audit work to be done and related particulars.

Motion: Jack Geller
Second: Commissioner Welch

The Audit Committee recommends approval to enter into an agreement with Powell & Jones, CPAs to conduct independent audit services for the fiscal year ended June 30, 2018 Motion carried unanimously.

Action 3 – Business Services Incentive Pay Review

The Business Services department of CareerSource Pinellas established an incentive program for its employee recruiters and account executives beginning July 1, 2016. Each participating employee in this program was given an incentive grid relative to his or her position with an attached copy of the guidelines for the program. The incentive grid is a chart that gives the employees a name and description of the areas in which their performance will be measured, the overall weight given to each area, and both the maximum monthly and annual amount that they are able to earn by achieving their established goals. Incentives are generally related to success in job placements with participating employers. In the original program employees could earn up to \$1,000 per month with a maximum of \$12,000 per year. Monthly

payments were calculated based upon the percentages achieved in various established performance categories which ranged from four to six depending on job type. However, if an employee failed to achieve 70 percent of his or her overall monthly goal, he or she was not eligible for any incentive pay for the month, and the performance report indicating the subpar performance would serve as official documentation of an incident. Effective August 1, 2017, there were changes to the guidelines governing this program. As a part of the changes, there was an increase in the amount that could be earned, rising from \$1,000 to \$1,400 per month. In addition, there was an update in the scaling system. The Audit firm of Powell & Jones conducted an audit of the internal controls in the month of June and found that for the thirteen months of this program, there were 48 instances or approximately 65 percent of those who did not achieve the 70 percent performance level, where their performance was adjusted to qualify for the incentive payment. However, from the time that there was a revision to the guidelines any increase in pay was documented on the summary report given to the Director of Business Services by a brief explanation for its justification.

Motion: Jack Geller
Second: Commissioner Welch

The Audit Committee recommends approval to have Powell & Jones CPAs review the incentives given during the 13-month period, to Business Services Staff. The review would include verifying whether the listed statistics for the incentives paid could be traced to outside verifiable data. It would also compare the total compensation paid to each employee to the established pay ranges for their position classifications. The total estimated cost for this review is between \$5000 and \$8000. Motion carried unanimously.

The Committee also suggested that the Powell & Jones report provide a recommendation to the Board on best practices and how to move forward regarding the provision of incentives.

Information Items

Info Item 1- Annual 401(k) Plan Audit

WorkNet Pinellas, Inc. 401k Plan is required to have an annual audit by an Independent CPA firm. For the calendar year 2017 a full scope audit will be conducted by Powell & Jones, CPAs for a fee of \$7500. The annual audit is to be completed and filed by October 15, 2018.

Other Administrative Matters

There was none.

Public Comments

There were none.

Committee Members Comments

-This new section has been added to allow members of the committee or the board to have open discussion about miscellaneous matters.

-The make-up of the Audit Committee per the CSPIN by-laws, allows for the appointment of 2 additional members, to be appointed by County. The Pinellas Board of County Commissioners is working on appointing those individuals and confirm the members by the end of August 2018.

Adjournment

The meeting was adjourned at 9:46 a.m.