

## **CareerSource Pinellas Audit Committee Minutes**

**Date:** July 16, 2019 - 10:00 a.m.  
**Location:** 13805 58<sup>th</sup> Street North, Clearwater, FL.33760

### **Call to Order**

Chairman David Fetkenher called the meeting to order at 10:04 a.m. There was a quorum present, with the following Audit Committee members participating.

### **Committee Members in attendance**

Comm. Patricia Gerard , Karla Leavelle (phone)

### **Staff Present**

Jennifer Brackney, Steven Meier, Luna Clarke

### **Action/Discussion Items**

#### **Action 1- Approval of Minutes**

The minutes of the August 28, 2018 Audit meeting were presented for approval.

Motion: Commissioner Gerard  
Second: Karla Leavelle

*The minutes were approved as presented. Motion carried unanimously.*

#### **Action 2 – Audit of June 30, 2019 Financial Statements**

The Audit Engagement Letter with Powell & Jones, CPAs was enclosed in the packet. The Engagement Letter would serve as an agreement regarding the audit work to be done relating to the financial statements for the year ended June 30, 2019. Powell & Jones, CPAs will audit the financial statements of WorkNet Pinellas, Inc., which comprise the statement of financial position as of June 30, 2019, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Motion: Commissioner Gerard  
Second: Karla Leavelle

Discussion: The Treasurer suggested to address the role of an audit firm, at the upcoming board meeting, in an effort to address some of the confusion and past questions raised by board members.

*The Audit Committee recommends approval to enter into an agreement with Powell & Jones, CPAs to conduct a financial statement audit for the year ended June 30, 2019. Motion carried unanimously.*

#### **Action 3 – Agreed Upon Procedures (For Six-Month period ended December 31, 2018)**

Enclosed in the packet were the agreed-upon procedures that were specified and agreed to by the Audit Committee on the accounting records and internal controls of WorkNet Pinellas, Inc. as of and for the six-month period ended December 31, 2018. Management recommends that the time period under review be changed to the six-month period ended June 30, 2019, due to the transitional period.

Motion: Commissioner Gerard  
Second: Karla Leavelle

Discussion: Committee members discussed this item at length and recommended to clearly define the scope of the proposed audit. The committee also recommends that the following items be included for review in the scope of work:

- Internal Control Questionnaire

- Benefits Stipend Calculations
- Non-Elective Contributions Benefits
- Supportive Services Cards
- Use of corporate credit cards by staff
- Employee expense report

*The Audit Committee recommends the proposed date change (January 1, 2019- June 30, 2019) and the execution of the agreed upon procedures letter, as modified above. Motion carried unanimously.*

**Action 4 – Agreed Upon Procedures (For Six-Month period ended December 31, 2019)**

Enclosed in the packet were the agreed-upon procedures that were specified and agreed to by the Audit Committee on the accounting records and internal controls of WorkNet Pinellas, Inc. as of and for the six-month period ended December 31, 2019.

Motion: Commissioner Gerard  
 Second: David Fetkenher

Discussion: Due to the fact that this item would be covering a time period in the future, it was suggested to table this action item until later in the year, to gain a better understanding of what the scope of the audit should entail.

*The Audit Committee tabled this item and proposed to continue the discussion at a later date. Motion carried unanimously.*

**Action 5 – Annual 401(k) Plan Audit**

WorkNet Pinellas, Inc. 401(k) Plan is required to have an annual audit by an Independent CPA firm. Powell & Jones will audit the financial statements of WorkNet Pinellas, Inc. 401(k) Plan, which comprise the statement of net assets available for benefits as of December 31, 2018 and 2017 and the related statement of changes in net assets available for benefits for the years then ended and the related notes to the financial statements and report on the supplemental schedules of the Plan for the year ended December 31, 2018. For the calendar year 2018, a full scope audit conducted by Powell & Jones, CPAs would be \$7,500. The fee for a limited scope audit as permitted by DOL regulations would be \$6,000. The annual audit is to be completed and filed along with the form 5500 by October 15, 2019.

Motion: Commissioner Gerard  
 Second: Karla Leavelle

Discussion: WorkNet Pinellas assets have overall decreased. ADP is currently the custodian of the 401(k) plan records and conducts its own internal controls audits. Due to this, management is recommending that a limited scope audit be conducted.

*The Audit Committee is recommending a limited scope audit and the approval and execution of the engagement letter for the annual 401 (k) plan audit. Motion carried unanimously.*

**Information Items**

**Information Item 1- Powell & Jones, CPAs - Five Year Contract**

The five-year contract for the audit firm, Powell & Jones, CPAs was included in the packet as an informational item.

**Other Administrative Matters:** None

**Public Comments:** None

**Committee Members Comments:** None

**Adjournment**

The meeting was adjourned at 10:49 a.m.