

## **CareerSource Pinellas Audit Committee Minutes**

**Date:** January 15, 2020 – 10:45 a.m.  
**Location:** Pinellas Technical College, 901 34<sup>th</sup> St. S (Room G-8), St. Petersburg, FL

### **Call to Order**

Chairman David Fetkenher called the meeting to order at 10:45 a.m. There was a quorum present, with the following Audit Committee members participating.

### **Committee Members in attendance**

David Fetkenher, Comm. Patricia Gerard (phone), Karla Leavelle.

### **Committee Members Absent**

None

### **Guest**

Richard Powell (Powell & Jones auditors)

### **Staff Present**

Jennifer Brackney, Steven Meier, Cindy Hockridge, René Davisson

### **Action/Discussion Items**

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

The minutes of the September 9, 2019 Audit meeting were presented for approval.

Motion:	Karla Leavelle
Second:	David Fetkenher

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

#### **Action 2 – Annual Financial Audit for the Fiscal Year Ended June 30, 2019**

##### **Information**

The audit firm of Powell & Jones, CPAs has completed the annual financial audit for WorkNet Pinellas, Inc. for the fiscal year ended June 30, 2019.

Enclosed is a copy of the audit report. Representatives from the firm presented the results to the Audit Committee on January 15, 2020.

##### **Recommendation**

The Audit Committee recommends approval of the Annual Financial Audit for the fiscal year ended June 30, 2019.

Discussion: Chair Leavelle asked for clarification regarding the Uncertainties of Regulatory Matters (page 2). Mr. Powell explained that on the original report, there was a noncompliance issue that related to the monitoring of subrecipients. This was categorized as an internal control finding that is either a significant deficiency or a material weakness. Upon review, it is now classified as a compliance finding. There was no incorrect expenditures and all expenditures were documented. Ms. Brackney added that this paragraph is relating to the USDOL Compliance Review of any potential disallowed costs.

General and administrative expenses increased due to legal expenses & consultants (HR and Accounting-nonrecurring expenses) relating to the year of transition.

Note 14-Contingent Liability - The ETA documented seventeen findings regarding grant administration of DOL funds totaling \$17,643,410. Approximately \$5,557,469 relates to funds administered by CareerSource Pinellas. At this point \$2.4 million is an unknown allocation. Historically it has been 60 percent Tampa and 40 percent Pinellas as a gauge.

Note 16-Subsequent Events. The Sale of the Science Center on November 20, 2019. Net proceeds were \$2,461,659 and will be classified as unrestricted reserves of WorkNet.

Subrecipient Monitoring-CareerSource Pinellas had three subrecipients of its grant funds totaling approximately \$573,567 in pass-through funds. It is recommended that CareerSource Pinellas implement procedures to assure that all subrecipients of its federal funds are fully monitored as required by Section D of the Uniform Guidance.

Current Year Findings-2019-2 Indirect Cost Allocation. This had not been completely documented at the time of the audit. Subsequently, the Organization received an approved provisional rate from the DOL for the year ended June 30, 2019 and 2020.

Motion:	Karla Leavelle
Second:	Commissioner Gerard

*The Audit Committee recommends approval of the Annual Financial Audit for the fiscal year ended June 30, 2019. Motion carried unanimously.*

**Other Administrative Matters:** None

**Public Comments:** None

**Committee Members Comments:** None

**Adjournment**

The meeting was adjourned at 11:19 a.m.