

## **CareerSource Pinellas Audit Committee Minutes**

**Date:** June 29, 2020 at 11:30 a.m.  
**Location:** Zoom Meeting

### **Call to Order**

Chairman David Fetkenher called the meeting to order at 11:30 a.m. There was a quorum present, with the following Audit Committee members participating.

### **Committee Members in attendance**

David Fetkenher, Comm. Patricia Gerard, Barclay Harless

### **Committee Members Absent**

Karla Leavelle

### **Staff Present**

Steven Meier, Cindy Hockridge

### **Action/Discussion Items**

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

The minutes of the January 15, 2020 Audit meeting were presented for approval.

Motion:	Pat Gerard
Second:	Barclay Harless

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

#### **Action 2 –Audit of June 30, 2020 Financial Statements**

The Audit Engagement Letter with Powell & Jones, CPAs was included in the packet.

The Engagement Letter serves as an agreement regarding the audit work to be done relating to the financial statements for the year ended June 30, 2020.

Powell & Jones, CPAs will audit the financial statements of WorkNet Pinellas, Inc., which comprise the statement of financial position as of June 30, 2020, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

The fees for the audit and the preparation of the Form 990 will be \$25,000 which will include travel and other out-of-pocket costs.

This will be the fifth and final year of the contract for audit services. Per DEO's Audit and Audit Resolution Responsibilities, CareerSource Pinellas "must limit auditor retention to no more than five years." For the audit of June 30, 2021 financial statements, CareerSource Pinellas will follow our standard procurement process to select a new qualified auditor.

### **Recommendation**

Approval to enter into an agreement with Powell & Jones, CPAs to conduct a financial statement audit for the year ended June 30, 2020.

Discussion: No further discussion

Motion:	Pat Gerard
Second:	Barclay Harless

*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, 2020. Motion carried unanimously.*

**Action 3 – Agreed Upon Procedures (For six-month period ended December 31, 2019)**

The engagement letter for the agreed-upon procedures for the six-month period ended December 31, 2019 was included in the packet. It was presented at the July 16, 2019 Audit Committee meeting but it was agreed by the Committee to table until completion of the audit of the June 30, 2019 Financial Statements.

The total fee will not exceed \$6,000 which is the fee included in current service contract with Powell & Jones, CPAs.

**Recommendation**

Approval of the proposed date change and execution of the agreed upon procedures engagement letter.

Discussion: The Committee decided to expand the timing of the review to encompass the 12-months ended June 30, 2020. In addition, the Committee decided that Powell & Jones, CPAs would concentrate their review on the following areas: Supportive Services, Payroll (including Pay Plans), Benefit Stipends and Procurement, Purchasing and Disbursements Process.

It was also decided that if any other recommendations arise, other areas can be added.

Motion:	Barclay Harless
Second:	Pat Gerard

*The Audit Committee recommends approval of the execution of the agreed upon procedures letter.*

**Action Item 4 – 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, 2019 and 2018 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, 2019.

For the calendar year 2019, 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, 2020.

**Recommendation**

Approval of a limited scope audit and execution of the engagement letter for the annual 401 (k) plan audit.

Discussion: No further discussion.

Motion:	Pat Gerard
Second:	Barclay Harless

*The Audit Committee recommends approval of a limited scope audit and execution of the engagement letter for the annual 401 (k) plan audit.*

**Other Administrative Matters:** None

**Information Items:**

**Information Item 1 - Independent Accountants' Report on Applying Agreed-Upon Procedures**

The audit firm of Powell & Jones, CPAs has completed their review of the Agreed-Upon Procedures for the six-months ended June 30, 2019 and submitted their report in April 2020. There was a copy enclosed of the report for the Audit Committee's review.

Mr. Meier noted two findings in the report under Benefit Stipends: One finding was an employee received a paycheck at an increased salary rate that was not approved until the following pay period. The other finding was an employee received gift cards for \$325 for referral incentives, however Meier was only able to find documentation for \$125 reported.

**Information Item 2 – Powell & Jones, CPAs – Five Year Contract**

The five-year contract from Powell & Jones was included in today's packet.

**Public Comments:** None

**Committee Members Comments:**

Mr. Meier stated we are required to select another firm and that he will commence the procurement process for a new auditor as soon as the audit is completed; approximately around January 2021 or sooner. He committed to reaching out the Finance Officers Group of the other LWDBs for recommendations and will include these firms on the RFP distribution list.

Mr. Harless thanked David Fetkenher for his two-year term spear-heading the Audit Committee. Harless hopes for the good of the agency that Fetkenher will remain involved. Fetkenher responded that he has enjoyed his position here, has appreciated everyone's support and will continue as a member of the Audit Committee.

**Adjournment**

The meeting was adjourned at 11:58 a.m.