



October 8, 2020 – 11:00 A.M.

Virtual Zoom Meeting

*Join via Zoom - Meeting ID: 986 2818 8097

Password: Workforce

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Phone: +1 646-558-8656

Audit Committee Agenda

- I. **Welcome and Introductions**..... Dr. Rebecca Sarlo, Chair
- II. **Public Comments**
- III. **Roll Call**
- IV. **Action/Discussion Items**
 - 1. Approval of Minutes: June 29, 2020 Page 2
 - 2. Annual 401(k) Plan Audit Page 6
 - 3. RFP – Audit and Tax Services.....Page 22
 - 4. DEO 2020-2021 Internal Control Questionnaire and AssessmentPage 23
- V. **Information Items**
- VI. **Other Administrative Matters**
(Items of urgency not meeting the seven-day guideline for review)
- VII. **Committee Members Comments**
- VIII. **Adjournment**

Next Audit Committee Meeting – December 16, 2020

**All parties are advised that if you decide to appeal any decision made by the Board with respect to any matter considered at the meeting or hearing, you will need a record of the proceedings, and that, for such purpose, you may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.*

**If you have a disability and need an accommodation in order to participate in this meeting, please contact Cindy Hockridge at 727-608-2426 or hockridge@careersourcepinellas.com at least two business days in advance of the meeting.*





Action Item 1

Approval of Minutes

In accordance with Article VII, Section 1(H), of the approved WorkNet Pinellas By-Laws: Minutes shall be kept of all Board and Committee meetings. Minutes shall be reviewed and approved at the next CareerSource Pinellas Board or Committee meeting as appropriate.

The official minutes of meetings of the Board and Committees of the Board are public record and shall be open to inspection by the public. They shall be kept on file by the Board Secretary at the administrative office of CareerSource Pinellas as the record of the official actions of the Board of Directors.

The draft minutes from the June 29, 2020 meeting of the Audit Committee have been prepared and are enclosed.

RECOMMENDATION

Approval of the draft minutes, to include any amendments necessary.

**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.



Action Item 2

Annual 401(k) Plan Audit

WorkNet Pinellas, Inc. 401k Plan is required to have an annual audit by an Independent CPA firm. The Audit Committee approved Powell & Jones to perform a limited scope audit at its June 29, 2020 meeting and the Board of Directors followed up with their approval at the July 15, 2020 meeting.

As permitted under the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed Powell & Jones to perform a limited scope audit and thus, they did not perform any auditing procedures with respect to any investment information which was certified by Reliance Trust Company. Powell & Jones did perform audit procedures on employee eligibility, employer and employee contributions, employee loans, etc. Their responsibility is to express an opinion on the 2019 financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States. Because Powell & Jones performed a limited scope audit they did not express an opinion on the 2019 financial statements.

Recommendation

Approval of the enclosed 401(k) report. Once approved, the audited financial statements will be filed along with the form 5500 by October 15, 2020.

DRAFT

9/28/20

**WORKNET PINELLAS, INC
401(K) PLAN**

**FINANCIAL STATEMENTS
AND REQUIRED SUPPLEMENTAL SCHEDULE**

For the Year Ended December 31, 2019

**WORKNET PINELLAS, INC.
401(K) PLAN**

For the Year Ended December 31, 2019

TABLE OF CONTENTS

	PAGE
Independent Auditor's Report	3 - 4
Statement of Net Assets Available for Benefits	5
Statement of Changes in Net Assets Available for Benefits	6
Notes to Financial Statements	7 - 12
REQUIRED SUPPLEMENTAL SCHEDULE	
Schedule H, line 4i - Schedule of Assets Held at End of Year	14 - 15



Powell & Jones
Certified Public Accountants

Richard C. Powell, Jr., CPA
Marian Jones Powell, CPA

1369 S.W. Main Blvd.
Lake City, Florida 32025
386 / 755-4200
Fax: 386 / 719-5504
admin@powellandjonescpa.com

INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of
the WorkNet Pinellas, Inc. 401(K) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the WorkNet Pinellas, Inc. 401(K) Plan, which comprise the statement of net assets available for benefits as of December 31, 2019, the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 2019 financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2019 financial statements.

Basis for Disclaimer of Opinion on the 2019 Financial Statements

As permitted by 29 CFR 2520, 103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Reliance Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the 2019 financial statements. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2019, that the information provided to the Plan administrator by the trustee is complete and accurate.

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Disclaimer of Opinion on the 2019 Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the 2019 Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2019 financial statements. Accordingly, we do not express an opinion on the 2019 financial statements.

Other Matters-Report on Supplemental Schedule and Report on 2018 Financial Statements

The supplemental schedule of assets held at year end is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the 2019 Financial Statements paragraph, we do not express an opinion on the supplemental schedule referred to above.

We have audited the accompanying statement of net assets available for benefits of WorkNet Pinellas, Inc. 401(K) Plan as of December 31, 2018, and in our report dated August 9, 2019, we expressed our opinion that such financial statement presents fairly, in all material respects, the financial status of WorkNet Pinellas, Inc. 401(K) Plan as of December 31, 2018, and changes in its financial status for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Form and Content In Compliance With DOL Rules and Regulations for 2019 Financial Statements

The form and content of the information included in the 2019 financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

POWELL & JONES
Certified Public Accountants
September 14, 2020

WORKNET PINELLAS, INC. 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2019 and 2018

	2019	2018
ASSETS		
Investments at fair value:		
Mutual funds	\$ 2,283,280	\$ 2,105,653
Common/collective funds	1,032,121	950,615
Total investments at fair value	3,315,401	3,056,268
Receivables:		
Accrued interest receivable	3,968	-
Employee 401(k) deferral contributions	-	14,383
Employer nonelective contributions	-	19,734
Notes receivable from participants	148,274	178,442
Total receivables	152,242	212,559
NET ASSETS AVAILABLE FOR BENEFITS	\$ 3,467,643	\$ 3,268,827

WORKNET PINELLAS, INC. 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Year Ended December 31, 2019

ADDITIONS TO NET ASSETS

Investment Income:

Interest and dividend income	\$ 153,004
Net increase in fair value of investments	443,916
Total investment income	<u>596,920</u>

Contributions:

Employee 401(k) deferral contributions	159,329
Employee rollover	234,014
Employer nonelective contributions	186,468
Other contributions	10,589
Total contributions	<u>590,400</u>
TOTAL ADDITIONS TO NET ASSETS	<u>1,187,320</u>

DEDUCTIONS FROM NET ASSETS

Distributions	981,907
Other expenses	6,597
TOTAL DEDUCTIONS FROM NET ASSETS	<u>988,504</u>

NET INCREASE 198,816

NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>3,268,827</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u>\$ 3,467,643</u>

**WORKNET PINELLAS, INC.
401(K) PLAN**

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

NOTE 1 DESCRIPTION OF PLAN

The following description of the WorkNet Pinellas, Inc. 401(K) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General - The Plan was commenced and made effective July 1, 2004. The plan has been amended throughout the years to comply with tax legislation, most recently amended effective January 1, 2016. The Plan is a defined contribution plan as described in Section 401 of the Internal Revenue Code (the Code) covering all employees. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Plan Administration - WorkNet Pinellas, Inc. (the Organization) has overall responsibility for administering the Plan. The Plan's trustee is responsible for the management and control of the Plan's assets. The Plan's trustee is Reliance Trust Company. The Plan's administrative agent is ADP Retirement Services.

Eligibility - Employees of the organization are eligible to participate in the deferral, employer nonelective and matching components of the Plan after completing the first day of the sixth month of employment.

Contributions -

Participant Pre-Tax Contributions. Participants may contribute from 1% to 80% of pretax annual compensation, but in no event can the dollar amount be more than \$19,000 for 2019. Elective salary deferral contributions, pursuant to Code § 401(K), are in the form of periodic payroll withholding. Participants who have attained age 50 before Plan year end are able to make catch-up contributions of up to \$6,000. Employees may also make after-tax contributions to the Plan.

Employer Nonelective Contributions. The Organization may make nonelective contributions in a discretionary amount as determined by the Organization, and such contributions are not contingent on current or retained earnings. At present, the Organization contributes 5% of the eligible employees' salaries on a bi-weekly basis.

Employer Matching Contributions. The Organization may elect to make contributions in the form of a Matching Contribution, in relation to the participants' elective salary deferral contributions, subject to the limitations of the "401(m) Test" of Code § 401(m)(2). If elected, the Organization matches 100% of the first 5% of eligible employee's salary each pay period. The Organization did not elect to make matching contributions for the year ended December 31, 2019.

Employee Rollovers. Participants may contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of contributions into various investment options offered by the Plan, subject to IRS limitations.

Participant Accounts - Individual accounts are maintained for each of the Plan's participants. Each participant's account is credited with the participant's contribution and an allocation of (a) the Organization's contribution, and (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**WORKNET PINELLAS, INC.
401(K) PLAN**

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

Vesting - Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the Organization contributions portion of their accounts plus earnings thereon is based on continuous service. A participant is vested in and entitled to his/her entire account balance at the completion of one year of service (from date of hire) with the employee. A participant is vested in employer contributions as follows:

<u>Vested Service</u>	<u>Vesting percentage</u>
Less than 1 year	0%
At least 1 but less than 2 years	100%
At least 2 but less than 3 years	100%
At least 3 but less than 4 years	100%
At least 4 but less than 5 years	100%
Five or more years	100%

Payment of Benefits - Payment of benefits after termination of employment is determined by the participant's account balance. If the vested account balance does not exceed \$5,000, the Plan will distribute the nonforfeitable portion in a lump-sum payment as soon as practicable following the date of termination. If the vested account balance exceeds \$5,000, the Plan permits distribution as of any date following termination of employment with the employer at the election of the participant.

On termination of service due to death, disability or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in a lump-sum amount.

Forfeitures - The non-vested portion of the Employer Contribution Account of a participant who has terminated employment is forfeited as of the date on which he has a five-year Period of Severance or Break-in-Service. Forfeitures may be used to reduce employer contributions or pay Plan expenses. During 2019, employer contributions were reduced by \$11,050 from forfeited non-vested accounts.

Investment Options - Participants may direct contributions, including employer contributions, into various mutual fund investment options. Participants may change their investment elections periodically. If not otherwise elected by Participants, there is a default investment option for the employer contributions.

Method of Allocation - The employer contribution is allocated to the participants account, using the pro-rata compensation allocation methodology.

Participant Loans - Participant loans are permitted by the Plan in accordance with its terms. Participants may borrow from their fund accounts a minimum of \$500 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The notes are secured by the balance in the participant's account and bear interest at rates which are commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest is paid ratably through biweekly payroll deductions. Participants are allowed a maximum of three outstanding loans at any point in time.

Loans to participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are charged directly to the borrowing participant's account and are included in administrative expenses when incurred. As of December 31, 2019, and 2018, no allowance for credit losses has been recorded. If a participant does not make loan repayments and the plan administrator considers the participant loan to be in

**WORKNET PINELLAS, INC.
401(K) PLAN**

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

default; the loan balance is reduced, and the delinquent participant loan is recorded as a benefit payment based on the terms of the Plan document.

Normal Retirement Age - Normal Retirement Age is defined as the date the participant attains age 65.

Early Retirement Age - There are no provisions for Early Retirement.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Plan are presented on the accrual basis of accounting.

Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation - Investments of the Plan are stated at fair value. Securities traded in public markets are valued at their quoted market prices. Purchases and sales of securities are reflected on a trade date basis. The difference between cost and market value from one period to the next along with gains (losses) on sale of investments is recognized as net appreciation or depreciation in fair value of investments in the accompanying statement of changes in net assets available for benefits.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Payment of Benefits - Benefits are recorded when paid.

Administrative Expenses - The Organization pays certain administrative expenses of the Plan and does not expect the Plan to reimburse it for these expenses.

NOTE 3. FAIR VALUE OF INVESTMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

**WORKNET PINELLAS, INC.
401(K) PLAN**

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the valuation methodologies used at December 31, 2019 and 2018.

Mutual Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Collective Trust Fund: Valued at the NAV of units of the bank collective trust. NAV is a readily determinable fair value and is the basis for current transactions. Participant transactions (purchases and sales) may occur daily. If the Plan initiates a full redemption of the collective trust, the issuer reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

	2019			
	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds	\$ 2,283,280	\$ -	\$ -	\$ 2,283,280
Common Collective Funds	-	1,032,121	-	1,032,121
Total investments at fair value	<u>\$ 2,283,280</u>	<u>\$ 1,032,121</u>	<u>\$ -</u>	<u>\$ 3,315,401</u>
	2018			
	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds	\$ 2,105,653	\$ -	\$ -	\$ 2,105,653
Common Collective Funds	-	950,615	-	950,615
Total investments at fair value	<u>\$ 2,105,653</u>	<u>\$ 950,615</u>	<u>\$ -</u>	<u>\$ 3,056,268</u>

Gains and losses included in changes in net assets available for benefits for the years ended December 31, 2019 and 2018 are reported in net appreciation in fair value of investments.

**WORKNET PINELLAS, INC.
401(K) PLAN
NOTES TO FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

The Plan's policy is to recognize transfers between Levels 1 and 2 and into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the year ended December 31, 2019, there were no significant transfers between Levels 1 and 2 and no transfers into or out of Level 3.

NOTE 4. TAX STATUS

The Plan is placing reliance on an opinion letter dated July 8, 2014 received from the IRS on the prototype plan indicating that the Plan is qualified under Section 401 of the IRC and is therefore not subject to tax under current income tax law. The prototype plan has been amended since receiving the opinion letter. However, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2014.

NOTE 5. PLAN TERMINATION

Although it has not expressed any intent to do so, the Organization has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

NOTE 6. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500, "Annual Return/Report of Employee Benefit Plan":

	<u>2019</u>	<u>2018</u>
Net assets available for benefits per financial statements	\$ 3,467,643	\$ 3,268,827
Less current year employer contributions receivable	-	(19,734)
Less current year employee contributions receivable	-	(14,383)
Accrued revenues	(3,968)	-
Less deemed distributions	(11,747)	(6,896)
Net assets available for benefits per Form 5500	<u>\$ 3,451,928</u>	<u>\$ 3,227,814</u>

The following is a reconciliation of benefits paid to participants per the financial statements to Form 5500, "Annual Return/Report of Employee Benefit Plan":

Net increase per financial statements	\$ 198,816
Plus prior year employer contribution receivable	19,734
Less current year interest receivable	(3,968)
Plus prior year employee contribution receivable	14,383
Less current year deemed distributions	(11,747)
Plus prior year deemed distributions	6,896
Net increase per Form 5500	<u>\$ 224,114</u>

NOTE 7. PARTY-IN-INTEREST TRANSACTIONS

The Plan investments are managed by Reliance Trust Company. Reliance Trust Company is the trustee as defined by the Plan and, therefore, the investment transactions qualify as party-in-interest transactions.

NOTE 8. REPORTABLE TRANSACTIONS

The Plan had no transactions or series of transactions in excess of 5% of the current value of Plan assets during the year.

NOTE 9. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 10. DECREASE IN NET ASSETS

Prior to September 1, 2018, the Organization served as the employer of record for the employees of Tampa Bay Workforce Alliance (TBWA), a similar non-profit organization, through a shared services agreement. As such, the TBWA employees participated in the Plan. Effective August 31, 2018, the shared services agreement ceased and all TBWA employees were terminated by the Organization. A large number of the TBWA employees with vested funds withdrew their balances from the Plan in accordance with Terms of the Plan. The amount of these withdrawals was approximately \$2,379,000 for the year ended December 31, 2018.

NOTE 11. SUBSEQUENT EVENTS

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition or disclosure through September 14, 2020, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL SCHEDULE

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WORKNET PINELLAS, INC. 401(K) PLAN
SCHEDULE H LINE 4I - SCHEDULE OF ASSETS HELD AT END OF YEAR
Year Ended December 31, 2019

EIN: 73-1678180

PN: 001

(a)	(b)	(c)	(d)	(e)
Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment	Cost**	Current Value	
	<u>Mutual Funds</u>			
Alger	Capital Appreciation Institutional Fund I		\$	109,064
American Century	Income & Growth A			190,526
American Century	One Choice 2035 A			204,336
American Century	One Choice 2045 A			147,459
American Century	Once Choice 2050 A			117,524
American Century	One Choice 2025 A			39,618
American Century	One Choice Retirement A			46,781
American Century	One Choice 2040 A			76,535
American Century	One Choice 2030 A			48,536
American Century	One Choice 2020 A			107,168
American Century	One Choice 2055 A			87,231
Deutsche	Real Estate SEC A			14,261
Franklin	Small Cap Growth A			55,371
Franklin	Utilities Fund A			21,365
George Putnam	Balanced M			77,194
Invesco	Opportunity Developing Markets			22,195
Invesco	Opportunity International Growth A			6,414
Invesco	Opportunity Global A			105,604
MFS	International New discovery			3,109
Nuveen	Mid-Cap Growth Opportunities A			188,205
PIMCO	Real Return A			19,968
PIMCO	Income Fund A			55,928
Pioneer	Bond Fund A			26,082
Prudential	High Yield A			3,897
T. Rowe Price	Mid-Cap Value			258,938
Thornburg	Investment Income Builder R4			30,664
Victory Integrity	Integrity Small Cap Value			219,307
	Total mutual funds		\$	<u>2,283,280</u>

(continued)

WORKNET PINELLAS, INC. 401(K) PLAN
SCHEDULE H LINE 4I - SCHEDULE OF ASSETS HELD AT END OF YEAR
Year Ended December 31, 2019

EIN: 73-1678180
 PN: 001

<u>Identity of Issuer, Borrower, Lessor, or Similar Party</u>	<u>Description of Investment</u>	<u>Cost**</u>	<u>Current Value</u>
<u>Common/Collective Funds</u>			
* SSGA	S&P 500 Index IX		193,255
Invesco	Stable Asset		647,975
* SSGA	International Index Securities Lending Series VII		61,616
* SSGA	Russell Small Cap Index VIII		51,154
* SSGA	Active US Large Cap Blend Non-Lending Series J		58,586
* SSGA	Moderate Strategic Balanced Securities Lending Series VII		961
* SSGA	S&P Mid Cap Index NL J		2,939
* SSGA	Aggressive Strategic Balanced Securities Lending Series VII		15,635
Total Common/Collective Funds			1,032,121
Participant Loans Rates from 5.25 to 7.00%			136,527
Total assets held at year end			\$ 3,451,928

*Indicates Party-in-interest

**Cost omitted for participant-directed accounts



Action Item 3

RFP Issuance: Audit and Tax Services

Powell & Jones, CPAs has been engaged to perform the audit of the financial statements for the year ended June 30, 2020 and the audit of the 2019 401(k) Plan. 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 and 401(k) Plan, CareerSource Pinellas would follow our standard procurement process to select a new qualified auditor.

Recommendation

Approval for the development and issuance of an RFP for audits of the financial statements for fiscal year ending June 30, 2021 and 401(k) Plan for 2020 with the option for 4 additional years.



Action Item 4

Department of Economic Opportunity 2020-2021 Internal Control Questionnaire and Assessment

The Internal Control Questionnaire and Assessment (ICQ) was developed by the Department of Economic Opportunity (DEO), Bureau of Financial Monitoring and Accountability, as a self-assessment tool to help evaluate whether a system of sound internal control exists within the Local Workforce Development Board (LWDB). An effective system of internal control provides reasonable assurance that management's goals are being properly pursued. Each LWDB's management team sets the tone and has ultimate responsibility for a strong system of internal controls.

The self-assessment ratings and responses should reflect the controls in place or identify areas where additional or compensating controls could be enhanced. Based on the Grantee-Subgrantee Agreement, the ICQ is required to be completed and certified by the Executive Director and Board Chair or their designee and submitted to DEO by September 30. The updated ICQ was received on September 11, 2020 offering an extended deadline of October 30, 2020. Some of the new controls implemented during the last year were as follows:

- Updated Financial and Procurement Policies and Cost Allocation Policy were approved by the Board.
- Improved and strengthened Sub-recipient monitoring.
- Implemented quarterly unannounced audits of supportive service cards.
- Initiated 24/7/365 cyber-security monitoring (12/2019).
- Initiated a Strategic Planning Process (11/2019).

Recommendation

Approval of the enclosed 2020-2021 Internal Control Questionnaire and Assessment. Once the 2020-2021 revised ICQ has been approved by the Audit Committee, it will be distributed to the Board of Directors for review and comment. If no comments, the Board Chair and CEO will certify it and submit it to DEO by requested deadline of October 31, 2020. The final ICQ will then be presented at the November Board of Directors meeting to ensure full transparency.

2020-21 Internal Control Questionnaire and Assessment

**Bureau of Financial Monitoring and Accountability
Florida Department of Economic Opportunity**

September 10, 2020

107 East Madison Street
Caldwell Building
Tallahassee, Florida 32399
www.floridajobs.org



TABLE OF CONTENTS

OVERVIEW3

Control Environment.....7

Risk Assessment9

Control Activities 12

Information and Communication 15

Monitoring Activities..... 17

Attachment A..... 19

OVERVIEW

Introduction and Purpose

The Internal Control Questionnaire and Assessment (ICQ) was developed by the Department of Economic Opportunity (DEO), Bureau of Financial Monitoring and Accountability, as a self-assessment tool to help evaluate whether a system of sound internal control exists within the Local Workforce Development Board (LWDB). An effective system of internal control provides reasonable assurance that management's goals are being properly pursued. Each LWDB's management team sets the tone and has ultimate responsibility for a strong system of internal controls.

The self-assessment ratings and responses should reflect the controls in place or identify areas where additional or compensating controls could be enhanced. When the questionnaire and the certification are complete, submit them to DEO by uploading to SharePoint.

Definition and Objectives of Internal Controls

Internal control is a process, effected by an entity's board of directors, management and other personnel, designed to provide "reasonable assurance" regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

The concept of reasonable assurance implies the internal control system for any entity, will offer a reasonable level of assurance that operating objectives can be achieved.

Need for Internal Controls

Internal controls help to ensure the direction, policies, procedures, and practices designed and approved by management and the governing board are put in place and are functioning as designed/desired. Internal controls should be designed to achieve the objectives and adequately safeguard assets from loss or

unauthorized use or disposition, and to provide assurance that assets are used solely for authorized purposes in compliance with Federal laws, regulations, and program compliance requirements. Additionally, Title 2, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, § 200.303 Internal controls, states:

The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- (b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
- (c) Evaluate and monitor the non-Federal entity's compliance with statute, regulations and the terms and conditions of Federal awards.
- (d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- (e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.

What Internal Controls Cannot Do

As important as an internal control system is to an organization, an effective system will not guarantee an organization's success. Effective internal controls can keep the right people, such as management and the governing board members, informed about the organization's operations and progress toward goals and objectives. However, these controls cannot protect against economic downturns or make an understaffed entity operate at full capacity. Internal controls can only provide reasonable, but not absolute, assurance the entity's objectives can be met. Due to limitations inherent to all internal controls systems, breakdowns in the internal control system may be caused by a simple error or mistake, or by faulty judgments made at any

level of management. In addition, controls may be circumvented by collusion or by management override. The design of the internal controls system is dependent upon the resources available, which means there must be a cost-benefit analysis performed as part of designing the internal control system.

Five Components of Internal Control

- **Control Environment** – is the set of standards, processes, and structures that provide the basis for carrying out internal controls across the organization. The board of directors and senior management establish the tone at the top regarding the importance of internal controls and expected standards of conduct.
- **Risk Assessment** – involves a dynamic and iterative process for identifying and analyzing risks to achieving the entity’s objectives, forming a basis for determining how risks should be managed. Management considers possible changes in the external environment and within its own business model that may impede its ability to achieve objectives.
- **Control Activities** – are the actions established by policies and procedures to help ensure that management directives mitigate risks so the achievement of objectives are carried out. Control activities are performed at all levels of the entity and at various stages within business processes, and over the technology environment.
- **Information and Communication** – are necessary for the entity to carry out internal control responsibilities in support of achievement of its objectives. Communication occurs both internally and externally and provides the **organization** with the information needed to carry out day-to-day internal control activities. Communication enables personnel to understand internal control responsibilities and their importance to the achievement of objectives.
- **Monitoring** – are ongoing evaluations, separate evaluations, or some combination of the two used to ascertain whether the components of internal controls, including controls to affect the principles within each component, are present and functioning. Findings are evaluated and deficiencies are communicated in a timely manner, with serious matters reported to senior management and to the board of directors.

Makeup of the ICQ

Subsequent sections of this document emphasize the “17 Principles” of internal controls developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and presented in the

Internal Controls – Integrated Framework. The five components of internal controls listed above are fundamentally the same as the five standards of internal controls and reflect the same concepts the “Standards for Internal Control in the Federal Government” utilizes.

The principles are reflected in groupings of questions related to major areas of control focus within the organization. Each question represents an element or characteristic of control that is or can be used to promote the assurance that operations are executed as management intended.

It should be noted that entities may have adequate internal controls even though some or all of the listed characteristics are not present. Entities could have other appropriate internal controls operating effectively that are not included here. The entity will need to exercise judgment in determining the most appropriate and cost effective internal controls in any given environment or circumstance to provide reasonable assurance for compliance with Federal program requirements.

Completing the Document

On a scale of 1 to 5, with “1” indicating the greatest need for improvements in internal controls and “5” indicating that a strong system of internal controls already exists, select the number that best describes your current operating environment. Please provide details in the comments/explanations column for each statement with a score of 1 or 2. **For questions requiring a narrative, please provide in the comments/explanations column.**

Certification of Self-Assessment of Internal Controls

Attachment A, includes a certification which should be completed and signed by the Executive Director, reviewed and signed by the Board Chair or their designee and uploaded to SharePoint.

CONTROL ENVIRONMENT

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
Principle 1. The organization demonstrates a commitment to integrity and ethical values.							
1.	The LWDB's management and board of directors' commitment to integrity and ethical behavior is consistently and effectively communicated throughout the LWDB, both in words and deeds.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The LWDB's management and board of directors are committed to Integrity and ethical behavior. They are an integral component to the LWDB's beliefs, values and standards of conduct. Management and the board of director's attitude and actions adequately set the tone of the organization influencing the control consciousness of the employees. This "tone" is apparent in committee, director and staff meetings.
2.	The LWDB has a code of conduct and/or ethics policy that has been communicated to all staff, board members, and outsourced service providers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>The LWDB's code of ethics and code of conduct clearly defines expectations and standards that align with management's beliefs. The code of conduct (p42) and code of ethics (p47) is included in the LWDB's employee handbook. The employee handbook is signed by each employee as evidence that they understand the policies, rules and regulations of the LWDB.</p> <p>All board members complete a standard of conduct provided by Pinellas County, including the completion of an annual financial disclosure from the Supervisor of Elections.</p> <p>The LWDB adopted the CareerSource Florida Ethics and Transparency Policy on 10/26/2018. Outsourced service provider: Included as a provision in the Subrecipient agreement.</p>
3.	When the LWDB hires employees from outside of the organization the person is trained or made aware of the importance of high ethics and sound internal controls.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The code of conduct and code of ethics is included in the LWDB's employee handbook. The employee handbook is signed by a new employee as evidence that they understand the policies, rules and regulations of the LWDB. In addition, desk guides and standard

							operating procedures address internal controls.
Principle 2. The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal controls.							
4.	The board of directors define, maintain, and periodically evaluate the skills and expertise needed among its members to enable them to question and scrutinize management’s activities and present alternate views.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>The structure of the Board is maintained in accordance with Federal and State regulations. All members are appointed by the Pinellas County Board of Commissioners. Members are reviewed based on their qualifications to ensure there are a variety of skill sets. The composition of the Board, as well as the various committees, allows for members to present alternative views.</p> <p>The Chairperson of each committee is a board member. The members ensure the workforce system is demand-driven by providing valuable feedback on the local economy and community as a whole. They are able to provide first-hand knowledge of employment needs in their industry.</p>
5.	The board of directors and/or audit committee maintains a direct line of communication with the board’s external auditors and internal monitors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>The LWDB’s external auditors directly communicate both verbally and in writing to the Audit Committee. In addition, the external auditor provides a presentation to the board of the overall financial statement audit. The 2018-2019 Independent Auditors Report was presented and approved at the Audit Committee and at the full Board Meeting in January 2020.</p>
6.	The board of directors establishes the expectations and evaluates the performance of the chief executive officer or equivalent role.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>The board of directors establishes the expectations and reviews/evaluates/approves the CEO’s performance goals on an annual basis. The board of directors developed the criteria and methods of evaluation to ensure performance meets the expectation of the board of directors in August 2019.</p>

Principle 3. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.							
7.	Management reviews and modifies the organizational structure of the LWDB in light of anticipated changing conditions or revised priorities. In the comments/explanations section, provide the date of last review.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The LWDB has an organizational structure which includes a CEO and CFO. This organizational chart is reviewed on a regular basis in response to operational and/or financial resources. The organization chart was presented at the 02.04.2020 Compensation Committee. The organizational structure is designed to provide a proper decision making framework. The structure groups, divides and coordinates the tasks required to achieve the LWDB's identified goals. The organizational structure makes best use of available resources while maintaining adequate controls to ensure compliance with federal and state rules and regulations and other applicable requirements.
8.	Specific lines of authority and responsibility are established to ensure compliance with federal and state laws and regulations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The LWDB has established specific lines of authority to ensure compliance with federal and state laws and regulations.
9.	The LWDB management understands the importance of internal controls, including the division of responsibility.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The LWDB changed the organizational structure to include a CEO and CFO. This dictates appropriate controls by segregating the duties and responsibilities.
Principle 4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.							
10.	The LWDB provides training opportunities or continuing education to develop and retain sufficient and competent personnel.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The CEO, CFO and Directors evaluate training opportunities and continuing education that aid in the development and retention of sufficient and competent personnel including DEO training through technical assistance. Staff training is tracked in an access database that is monitored on an ongoing basis. All staff met or exceeded the DEO requirements of 15 hours in PY 19-20. In addition, key Finance personnel attend Financial Officers Group (FOG) meetings and applicable webinars throughout the year. Finance personnel at a Director level or above attend training on annual basis and complete the appropriate CPE credits to maintain their CPA license.

11.	The LWDB has succession plans for senior management and contingency plans for assignments of responsibilities important for internal controls.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Organization understands the importance of a succession plan and contingency plan for assignment of responsibilities. In the event there is an open Director level position, the program coordinator will work directly with the CEO until the position is filled. The Chair will appoint an interim CEO in the event this position is vacated. CEO will appoint interim CFO, if needed. A proactive and systematic process has been utilized to identify those positions considered to be at the core of the organization. Based on this information, the CEO has created a strategic plan to fill these positions with capable and qualified employees. The organization will re-evaluate this business structure on an ongoing basis.
12.	For all employees, the LWDB regularly evaluates the performance of the employee and shares the results with the employee. In the comments/explanations section, provide how often an employee's performance is evaluated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	A job description exists for each position. Job descriptions continue to be reviewed on an ongoing basis. Upon hire, each employee is required to review their job description. During February 2019, a Comprehensive Compensation Review was conducted by an outside consultant. This review included a review of all active positions and recommendations for continued, discontinued, and merged position titles; a review of external Compensation Survey Reports and analysis of CareerSource ranges for each position; review of compensation versus other Florida CareerSource compensation structures; development of a new pay structure to include Min-Mid-Max for each Grade and the spread between Grades; and an analysis of employee impact and cost implementation. The Compensation Review was presented and adopted by the LWDB on 06/05/2019.
Principle 5. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.							
13.	Policies, processes or directives are in place that ensures employees are aware of their role related to internal control responsibilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	All financial processes are reviewed annually for internal control and efficiency purposes. Financial Policies, Procurement Policy and Cost Allocation Plan were updated and approved by the Board. In addition, informal meetings are held with staff members to discuss their internal control responsibilities as well as included in job descriptions, desk

							guides and quarterly trainings. As part of that review, we will reiterate directives to ensure employees are aware of their role as it relates to internal controls.
--	--	--	--	--	--	--	--

	In the comments/explanations section, provide policy/policy number(s) and page number(s) that address the statement made above.						
14.	The LWDB's structure and tone at the top helps establish and enforce individual accountability for performance of internal control responsibilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	In light of past events, the LWDB's structure and tone regarding individual accountability has been amplified throughout the organization. As part of this, the organization's tone reinforces the requirement for individual accountability for performance of internal controls and responsibilities. Review and discuss the results of quarterly monitoring to identify additional areas of focus, if needed.
15.	The LWDB has policies, processes and controls in place to evaluate and promote accountability of outsourced service providers (and other business partners) and their internal control responsibilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Subrecipient service providers are monitored on an annual basis as required by Federal Grant Guidelines and the Organization's Compliance Monitoring Policies and Procedures. Also, vendors are monitored and reviewed to ensure compliance with deliverables. The respective agreement is used as a tool for monitoring.

RISK ASSESSMENT

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
Principle 6. The organization specifies with sufficient clarity to enable the identification and assessment of risks relating to objectives.							
16.	Management establishes a materiality threshold for each of its major objectives and identifies risk at each location where the LWDB conducts activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Finance and operations management will perform a risk assessment for each of its major objectives and at each of its locations by the end of 2020. Based on last year's activities, the recommendation is to procure an outside monitoring firm to help perform the risk assessment with an anticipated completion date of late 2020 or early 2021. Where appropriate, key controls will be

							implemented, communicated to the appropriate staff and periodically monitored.
17.	Management uses operational objectives as a basis for allocating the resources needed to achieve desired operational and financial performance.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Risk/Benefit analysis is performed periodically as a basis for allocating/ prioritizing resources to operational objectives and goals. Metrics will be developed to monitor the performance. Corrective actions and/or reallocation of resources is enacted as appropriate.
18.	The LWDB sets entity-wide financial reporting controls and assesses the risks that those controls will not prevent material misstatements, errors, or omissions in the financial statements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Segregation of duties have been implemented where appropriate. In addition, a monthly financial package has been developed and distributed that contains, a monthly review of actual versus budgets, actuals versus prior years, grant spending, etc. Also, quarterly meetings, at minimum, with department stakeholders are implemented to review spending, budgets and grant status. Additionally, the CEO makes quarterly financial presentations to the Board of County Commissioners. On a monthly basis, balance sheet reconciliations are prepared for all balance sheet accounts, an audit is performed by an outside CPA firm annually and the LWDB is subject to an annual financial monitoring from DEO.

Principle 7. The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.

<p>19.</p>	<p>Management ensures that risk identification considers internal and external factors and the potential impact on the achievement of objectives.</p> <p>In the comments/explanations section, explain what measures are being taken to address the risk of cybersecurity in the organization?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Finance and Administrative: The LWDB has built a finance and administrative team and system from the ground up. There is a need to better utilize technology to monitor financial activities and develop reports; and to provide additional oversight by finance committee.</p> <p>Talent Management: Cross training; talent management; addressing competency gaps; attracting, retaining and developing quality talent; and consideration for a more formalized succession plan.</p> <p>External Influences: External factors include the public perception; the need to rebuild trust within the general community and with employers. In addition, the realities of the current economic trend, including the high unemployment rate.</p> <p>IT: The LWDB has contracted with an outside vendor to perform 24/7/365 cyber-security monitoring. In addition, the LWDB has hired a vCIO to strategically manage the organization's IT infrastructure, outside IT vendor, project management for email, software and hardware upgrades and cybersecurity monitoring.</p>
<p>20.</p>	<p>The LWDB adequately and effectively manages risks to the organization and has designed internal controls in order to mitigate the known risks.</p> <p>In the comments/explanations section, describe what new controls, if any, have been implemented since the prior year and which organizational risks do they mitigate?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>It is important to continue the focus on the development of sound business structure in Pinellas county. The LWDB has built a leadership team; reviewed the entire fiscal process to move to a more automated system; reviewed program operations; and worked with DOL/OIG/DEO to provide additional responses to the USDOL Compliance Review to ensure policies and procedures align with state/federal guidelines.</p>

21.	The LWDB's risk identification/assessment is broad and includes both internal and external business partners and outsourced service providers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The LWDB has established performance indicators for key objectives and monitors those indicators on a regular basis as well as communicates policies to business partners and service providers via formal or informal meetings, as needed. In addition, we ensure that all contracts with outsourced service providers contain confidentiality agreements, conflict of interest certifications and that the provider will abide by all laws and norms when conducting business as an agent of the LWDB. Also, we evaluated the cost/benefit of an employee hotline and determined that at this time it is not necessary. Instead the LWDB implemented a confidential Employee Engagement Survey through an independent third-party. This Survey provided a more proactive approach to better understand the collective voice of the workforce. Based on the results of the Employee Engagement Survey, it was determined to focus on the following: 1) Comprehensive Salary and Benefit Review; 2) Communication and 3) Staff Development and Training.
Principle 8. The organization considers the potential for fraud in assessing risks to the achievement of objectives.							
22.	The LWDB periodically performs an assessment of each of its operating locations' exposure to fraudulent activity and how the operations could be impacted. In the comments/explanations section, include the date and name of person or entity who performed the last assessment.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The LWDB continuously evaluates areas of exposure to fraudulent activity. A Director's meeting is scheduled weekly to evaluate potential exposures. In addition, quarterly internal monitoring will be utilized as a means of identifying potential risk areas. The organization has strengthened monitoring of its subrecipients, implemented quarterly surprise audits of supportive service cards and in the process of procuring an outside firm to perform internal monitoring.

23.	<p>The LWDB’s assessment of fraud risks considers opportunities for unauthorized acquisition, use and disposal of assets, altering the reporting records, or committing other inappropriate acts.</p> <p>In the comments/explanations section, provide a narrative of the system/process for safeguarding cash on hand, such as prepaid program items (i.e. gas cards, visa cards) against unauthorized use/distribution.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The CEO and CFO, along with Operations, evaluates all major business operations and objectives. From a financial standpoint, the goal is to utilize existing financial software and other technology to adequately and timely record all transactions. Overall, the organization continuously evaluates areas of exposure to identify fraudulent activity. Directors’ meetings are also used as a forum to discuss areas of potential impact. In addition, bi-annual internal monitoring will be utilized as a means of identifying potential risk areas. The LWDB also implemented a quarterly surprise audit of supportive service cards.</p>
Principle 9. The organization identifies and assesses changes that could significantly impact the system of internal controls.							
24.	<p>The LWDB has mechanisms in place to identify and react to risks presented by changes in government, regulatory, economic, operating, or other conditions that could affect the achievement of the goals and objectives.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Any legislative, regulatory, or changes in accounting principles are reviewed and mandatory training implemented within the quarter of the change. Also, the CEO receives and disseminates via email to all Directors USDOL/ETA advisories and DEO communiques which impact the Organization. In addition, the CEO regularly attends WFI meetings. Also, the CFO attends various webinars on upcoming changes in financial accounting standards. Also, the LWDB went through a strategic planning process where management, board members and key stakeholders identified key objectives of the organization which included a SWOT analysis to identify organizational strengths, weaknesses, opportunities and threats. Finance conducts monthly/quarterly financial reviews with program stakeholders to review costs and trends.</p>

25.	<p>The most significant risks affecting the LWDB have been identified and controls are designed and implemented that mitigate risks.</p> <p>In the comments/explanations section, identify three of the most significant internal risks that could impact the achievement of objectives.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>1) Reduction in funding; funding lagging needs of the county due to COVID 19 impacts on the workforce. 2) Talent Management 3) IT obsolescence</p>
26.	<p>Considering the most significant risks, identified above, have controls been designed and implemented that mitigate risks associated with each.</p> <p>In the comments/explanations section, please elaborate on the mitigating controls.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>1) Budget, continuous monitoring, reports to monitor expenditure rate, oversight by finance committee, SWOT analysis</p> <p>2) Cross training; consideration for a more formalized succession plan will be looked into</p> <p>3) In the process of updating employee workstations, upgrading IT infrastructure, upgrading email to Office 365, etc. All of these projects are being strategically managed by a part-time vCIO.</p>

CONTROL ACTIVITIES

		Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
		Weak		Strong			
		1	2	3	4	5	
Principle 10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.							
27.	Management control activities consider all the relevant business processes, information technology and locations where control activities are needed, including outsourced service providers and other partners.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Contracted with an outside firm to perform 24/7/365 cybersecurity monitoring of our IT environment. In addition, hired a vCIO to manage IT relationships, software, hardware, upgrades, etc. The LWDB will also be strengthening Disaster Recovery and Business Continuity plans.
28.	Controls employed by the LWDB include authorizations, approvals, comparisons, physical counts, reconciliations, supervisory controls and allowable use of funds. In the comments/explanations section, list what type of training is provided to program and administration staff to ensure the allowable use of funds?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Finance has strengthened the controls related to monthly balance sheet reconciliations, development of a monthly financial package, monthly/quarterly financial reviews with internal stakeholders and will fully implement online purchase order and approval process. Periodic budget meetings are conducted with program directors to discuss status of all open grants.
29.	The LWDB periodically (e.g., quarterly, semiannually) reviews system privileges and access controls to the different applications and databases within the IT infrastructure to determine whether system privileges and access controls are appropriate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Regional Security Officer conducts a full update of system privileges and access semi-annually. This report is then submitted to the DEO.
Principle 11. The organization selects and develops general control activities over technology to support the achievement of objectives.							
30.	Management selects and develops control activities that are designed and implemented to restrict technology access rights to authorized users commensurate with their job responsibilities and to protect the entity's assets from external threats. In the comments/explanations section, provide a narrative of the process of authorizing access for new employees,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	IT provides access based upon direction provided by supervisory level staff, HR directs email to key personnel to remove system access, as applicable. In addition, we contract with an outside firm to perform 24/7/365 cybersecurity monitoring of our network.

CONTROL ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
	revoking access for separated employees, and changes to authorized users commensurate with their changes to their job responsibilities.						
31.	Management has identified the appropriate technology controls that address the risks of using applications hosted by third-parties.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	In all cases, IT must test and approve installation and use of third party hosted software as part of the computer software use policy. All IT functions and controls are currently being evaluated by our part-time vCIO.
32.	The LWDB has considered the protection of personally identifiable information (PII), as defined in section 501.171(1)(g)1, F.S., of its employees, participants/clients and vendors, and have designed and implemented policies that mitigate the associated risks.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The policy on handling and protection of personally identifiable information and sensitive information applies to all CareerSource employees, DEO staff located in CareerSource offices, training vendors, program coordinators and partners that have access to PII and/or sensitive information shall be protected through a combination of measures including operational safeguards (policy and training), privacy-specific safeguards (procedures for collection and handling such information) and security controls (role-based access control, passwords, use of encrypted emails, etc.) In addition, the LWDB ensures that confidential information is kept under lock and key and access is limited to only those employees who need the information to perform the functions of their job. Also, the LWDB does not keep any credit card information of any person or company. Any personal information of participants is kept solely for programmatic purposes and access is limited to only those employees who need it to perform their jobs.
Principle 12. The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.							

33.	<p>The LWDB has policies and procedures addressing proper segregation of duties between the authorization, custody, and recordkeeping for the following tasks, if applicable: Prepaid Program Items (Participant Support Costs), Cash/Receivables, Equipment, Payables/Disbursements, Procurement/Contracting, and Payroll/Human Resources.</p> <p>For tasks lacking the appropriate segregation of duties, describe any compensating controls in place in the comments/explanations section.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The CFO regularly evaluates all current processes and modifies as appropriate to ensure that there is adequate segregation of duties provided between performance, review and record keeping of all tasks. As noted previously, Finance performs quarterly surprise audits on supportive service cards distributed to the career centers.</p>
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CONTROL ACTIVITIES

		Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
		Weak		Strong			
		1	2	3	4	5	
34.	<p>Management periodically performs a review of all policies and procedures to determine their continued relevance, consistency, compliance with 2 CFR Part 200 (Uniform Guidance) or other guidance or directives.</p> <p>In the comments/explanations section, include the date of the last in-depth policy review and list what, if any, policies were updated as a result.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Policies and procedures are reviewed on an on-going basis to ensure processes are in compliance with current rules and regulations. Financial Policies, Procurement Policy and Cost Allocations were updated and approved by the Board during the first half of 2020.</p>
35.	<p>Management annually performs a review of policies, instructions and processes based on the WIOA criteria for OJT program eligibility.</p> <p>In the comments/explanations section, include the date of the last annual policy review and list what, if any, policies were updated as a result.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Management performed a review of the policies and processes for OJT program eligibility in June 2019. The following CareerSource Pinellas SOPs/Desk Guides were updated in June 2019 based on the most recently received work based administrative policy:</p> <ul style="list-style-type: none"> -WIOA Desk Guide for OJT Requirements -Section 9 BSU Soft Exit Process -Section 18 BSU PWE Desk Guide -Section 19 BSU OJT Desk Guide <p>Removed or combined in the above stated updates:</p> <ul style="list-style-type: none"> -On-the-Job Training Opportunities NEG (OJT) -Welfare Transition program (WTP) On-the-Job Training Opportunities (OJT)
36.	<p>The LWDB maintains policies and procedures to facilitate the recording and accounting of transactions in compliance with laws, regulations, and provisions of contracts and grant agreements.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>The CFO has designed accounting processes that ensure that ALL transactions are being properly recorded and accounted.</p> <p>All operating policies and procedures are clearly written and communicated. Financial Policies and Procedures and Procurement Policies exist to facilitate transactions being properly recorded and accounted. Only the CEO and Board Chair have signatory authority over contracts and all contracts in excess of</p>

								\$50,000 require Board approval.
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INFORMATION AND COMMUNICATION

		Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
		Weak		Strong			
		1	2	3	4	5	
Principle 13. The organization obtains or generates and uses relevant, quality information to support the functioning of internal controls.							
37.	Federal, state, or grant program rules or regulations are reviewed by one or more of the following: governing board, audit, finance or other type committee. In the comments/explanations section, include how often these are reviewed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	New policies and procedures are reviewed with the relevant committee before being approved by the full Board. The LWDB continues to take a more engaged approach to better understand the program rules and regulations.
38.	The LWDB considers both internal and external sources of data when identifying relevant information to use in the operation of internal controls.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The LWDB understands the importance of relevant data (internal and external) in the decision making process and the underlying factors of the data having a predictive value, feedback value and being timely.
39.	The LWDB's has controls in place to ensure costs are accurately recorded and allocated to the benefiting federal/state fund or grant. In the comments/explanations section, elaborate on the control(s) that ensure costs accurately recorded.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The accounting system provides for separate identification of federal grant and nonfederal transactions as each transaction is recorded in a specific fund. The fund identifies the funding source, i.e., WIOA, USDOL, etc. In addition, the funds for which pooled costs have been allocated are transparent to the benefiting fund. Adequate source documentation exists to support amounts and items reported. We will continue to monitor and review to ensure controls are in place to accurately record and allocate costs.
Principle 14. The organization internally communicates information, including objectives and responsibilities for internal controls, necessary to support the functioning of internal controls.							
40.	Communication exists between management and the board of directors so that both have information needed to fulfill their roles with respect to the LWDB's objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	LWDB meetings occur every other month. Each meeting will include minutes and action items from all the respective committees. Additionally, the LWDB approved the organization's Strategic Plan and annually reviews and approves the Audited Financial Statements and IRS Form 990. Included in the meetings are the activities, objectives, and goals of each of the respective committees.

41.	There is a process to quickly disseminate critical information throughout the LWDB when necessary.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Email is used to quickly disseminate critical information throughout the LWDB when necessary by applicable staff. We continue to review the communication process to ensure we have explored all options for communication and provide a distribution forum that quickly disseminates critical information. Some examples of means by which information is distributed throughout the LWDB are: CEO's weekly email, weekly newsletters, HR Happenings, staff town halls, the Pinellas Pinnacle newsletters and the Chair's report.</p>
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INFORMATION AND COMMUNICATION

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
	In the comments/explanations section, provide a description of the dissemination process.						
42.	Management has a process for the development, approval and implementation of policy updates and communicates those updates to staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Policy updates are communicated by and disseminated to staff by mandatory training and staff meetings. We continue to ensure that the communication is robust and adequately provides guidance regarding the development, approval and implementation of policy.
Principle 15. The organization communicates with external parties regarding matters affecting the functioning of internal controls.							
43.	The LWDB has a means for anyone to report suspected improprieties regarding fraud; errors in financial reporting, procurement, and contracting; improper use or disposition of equipment; and misrepresentation or false statements. In the comments/explanations section, describe the process of how someone could report improprieties. Who receives/processes/investigates, etc.?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The LWDB Board Chair has provided his direct cell phone number to report improprieties along with the opportunity to make confidential calls with any issues that may arise. A member of management is the designated Equal Employment Opportunity (EEO) officer. The most recent monitoring of the company's EEO process was conducted in April 2019; there were no findings. In addition, the employee handbook contains a whistleblower policy so that no employee needs to worry about reporting any impropriety.
44.	The LWDB has processes in place to communicate relevant and timely information to external parties.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Depending on the audience, channels of communication are held via email, phone call, Zoom or face to face meeting.

INFORMATION AND COMMUNICATION

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
45.	The LWDB has processes in place to communicate the results of reports provided by the following external parties: Independent Auditor, DEO Bureau of Financial Monitoring and Accountability (FMA), DEO Bureau of One-Stop and Program Support, DEO Office of Inspector General, Florida Auditor General, and Federal Awarding Agencies (USDOL, USDHHS, and USDA) to the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Various committees exist whereby staff disseminates this information. Specific Finance and Audit Committees handle financial and audit related communications. One-Stop Committee would receive program/resource center level information. In addition, Committee level information is also shared with and approved by the Board.

MONITORING ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
Principle 16. The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal controls are present and functioning.							
46.	The LWDB periodically evaluates its business processes such as cash management, comparison of budget to actual results, repayment or reprogramming of interest earnings, draw down of funds, procurement, and contracting activities. In the comments/explanations section, describe the process of how funding decisions are determined. What is the criteria, who initiates/approves, etc.?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Business processes over cash management, budget to actual results, draw down of funds, procurement and contracting activities are reviewed on an on-going basis to ensure control activities are properly designed, effective and implemented. Controls are reviewed annually by DEO monitors and procedures are modified as needed.

MONITORING ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
47.	The LWDB considers the level of staffing, training and skills of people performing the monitoring given the environment and monitoring activities which include observations, inquiries and inspection of source documents.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The LWDB is in the process of procuring an outside firm to perform internal monitoring for all programs and some administrative functions.
48.	LWDB management periodically visits Career Center locations and other decentralized locations (including subrecipients) to determine whether policies and procedures are being followed and functioning as intended. In the comments/explanations section, include when the most recent visit was performed, by whom, and who the results were communicated to.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CareerSource Pinellas program Directors visit the Career Center locations periodically to meet with staff and for training. Center visits were conducted by the One Stop Operator on October 15, 2019. During this visit, observations, best practices and potential opportunities for service improvements were noted and provided in a narrative summary. These results were presented to management staff. Subrecipient monitoring is conducted annually to ensure compliance with requirements. The last subrecipient monitoring occurred during the first quarter of 2020 and we have begun planning for 2019-2020 activities.
Principle 17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.							
49.	The LWDB management takes adequate and timely actions to correct deficiencies identified by the external auditors, financial and programmatic monitoring, or internal reviews.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	If deficiencies are reported by the external auditor, financial and/or programmatic monitoring, a plan of action and implementation deadline is established.

50.	<p>The LWDB monitors all subrecipients to ensure that federal funds provided are expended only for allowable activities, goods, and services and communicates the monitoring results to the LWDB's board of directors.</p> <p>In the comments/explanations section, describe the subrecipient monitoring activities that are outsourced to a third party and provide the name of the party that performs these activities.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Desk and/or on-site monitoring reviews are performed annually for all subrecipients. The results of those monitoring reviews are communicated, as appropriate.</p>
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ATTACHMENT A

Department of Economic Opportunity **Certification of Self-Assessment of Internal Controls**

Local Workforce Development Board Number: 14

To be completed by the Executive Director:

A self-assessment of internal controls has been conducted for the 2020-2021 fiscal monitoring period. As part of this self-assessment, the Internal Control Questionnaire developed by the Department of Economic Opportunity has been completed and is available for review.

Signature: _____

Printed Name: Jennifer Brackney

Title: Chief Executive Officer

Date: _____

To be completed by the Board Chair or their designee:

I have reviewed the self-assessment of internal controls that was conducted for the 2020-2021 fiscal monitoring period.

Signature: _____

Printed Name: Barclay Harless

Title: Board Chair

Date: _____

Please scan and upload to SharePoint an executed copy of this certification on or before **October 30, 2020**.