

**CareerSource Pinellas
Audit Committee Minutes**

Date: October 8, 2020 at 11:00 a.m.
Location: Zoom Meeting

Call to Order

Chairman Rebecca Sarlo called the meeting to order at 11:00 a.m. There was a quorum present, with the following Audit Committee members participating.

Committee Members in attendance

Comm. Patricia Gerard, Rebecca Sarlo

Committee Members Absent

David Fetkenher, Barclay Harless

Staff Present

Jennifer Brackney, Steven Meier, Cindy Hockridge

Guest

Richard Powell

Action/Discussion Items

Action Item 1 - Approval of Minutes

The minutes of the June 29, 2020 Audit meeting were presented for approval.

Motion:	Pat Gerard
Second:	Rebecca Sarlo

The minutes were approved as presented. Motion carried unanimously.

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. 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.

Discussion: Richard Powell, CPA made a brief overview of the Independent Auditor's Report.

Motion:	Pat Gerard
Second:	Rebecca Sarlo

The Audit Committee recommends approval of the enclosed 401(k) report. Motion carried unanimously.

Action 3 – RFP – 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 will follow the 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.

Discussion: None

Motion:	Pat Gerard
Second:	Rebecca Sarlo

The Audit Committee recommends 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. Motion carried unanimously.

Action Item 4 – DEO 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.

Discussion: Steve Meier discussed the five components of Internal Control, 17 principles within the five components and 50 questions. The five components are: Control Environment, Risk Assessment, Control Activities, Information, and Communication and Monitoring.

Motion:	Pat Gerard
Second:	Rebecca Sarlo

The Audit Committee recommends approval of the enclosed 2020-2021 Internal Control Questionnaire and Assessment. Motion carried unanimously.

Other Administrative Matters:

Jennifer Brackney mentioned that we are required to fill two County Appointees as part of the Ad Hoc Committee. Jennifer will follow up with Mike Meidel to see if he has anyone in mind or if we need to look for volunteers.

Information Items: None

Public Comments: None

Committee Members Comments: None

Adjournment

The meeting was adjourned at 11:18 a.m.