



October 27, 2021 – 11:00 A.M.

Virtual Zoom Meeting

*Join via Zoom – Meeting ID: 752 518 8457

Password: Workforce

[Zoom Link](#)

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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 - April 29, 2021.....Page 1
 - 2. Annual 401(k) Plan Audit.....Page 5
 - a. Financial Statements and Supplemental Schedule.....Page 6
 - b. Report to Those Charged with Governance.....Page 22
 - 3. DEO Internal Control Questionnaire.....Page 34
- V. **Information Items**
 - 1. Subrecipient Monitoring for Period July 2020 – June 2021.....Page 79
- VI. **Other Administrative Matters**
(Items of urgency that do not meet the seven-day guideline for review)
- VII. **Committee Members Comments**
- VIII. **Adjournment**

Next Audit Committee Meeting – **TBD**

**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 the executive assistant at 727-608-2551 or admin@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 April 29, 2021, 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: April 29, 2021 – 11:00 a.m.
Location: Virtual (Zoom)

Call to Order

Committee Chair, Dr. 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

Dr. Rebecca Sarlo, David Fetkenher, Comm. René Flowers, Barclay Harless

Committee Members Absent

None

Staff Present

Steven Meier, Jennifer Brackney, Julia Bergen, April Torregiante

Action/Discussion Items

Action 1 – Approval of Minutes

The minutes of the February 24, 2021 Audit meeting were presented for approval.

Motion:	Barclay Harless
Second:	David Fetkenher

The minutes were approved as presented. Motion carried unanimously. There was no further discussion.

Action 2 – Vendor Selection – Audit and Tax Services

The Board approved the issuance of a Request for Proposal (RFP) for a qualified provider of Audit and Tax Services for the audit of the June 30, 2021 financial statements and December 31, 2020 401(K). Per DEO’s Audit and Audit Resolution Responsibilities, CareerSource Pinellas “must limit auditor retention to no more than five years.”

CareerSource Pinellas followed standard procurement processes and solicited proposals from qualified and experienced entities to provide the above-described services. Each proposal was reviewed by the CareerSource Pinellas review team.

Results of review:

Proposer	Overall Score
Thomas Howell Ferguson P.A.	91
Grau & Associates	91
Anthony Brunson P.A.	82
Mauldin & Jenkins, LLC	79
MSL CPAs & Advisors	78
Warren Averett CPAs and Advisors	77
*James Moore CPAs	-

Based on overall score, knowledge of the programs that CareerSource Pinellas offers, size of the firm, prior outsourced compliance monitors for DEO, and dedicated resources for performing audits of organizations receiving Federal funds, we recommend contracting with Thomas Howell Ferguson P.A.

Recommendation

Approval to enter into contract negotiations and award a contract for the provision of Audit and Tax Services with Thomas Howell Ferguson P.A. for the audit of the June 30, 2021 financial statements and December 31, 2020 401(K) for a one-year term with up to four, one-year renewals. The annual contract amount in any one year will not exceed \$35,500 for the audit of the year-end financial statements, preparation of Form 990, and annual audit of the 401K plan.

Discussion: Steven Meier presented additional background on RFP process and results of proposal reviews and criteria. Proposer James Moore CPAs was removed from consideration in light of information obtained regarding one of James Moore CPAs clients. James Moore CPAs did not include this client in their proposal as a previous or current client. Steven Meier gave more detailed information about the recommended firm – Thomas Howell Ferguson P.A.

Motion:	David Fetkenher
Second:	Barclay Harless

The Audit Committee recommends approval to enter into contract negotiations and award a contract for the provision of Audit and Tax Services with Thomas Howell Ferguson P.A. for the audit of the June 30, 2021 financial statements and December 31, 2020 401(k) for a one-year term with up to four, one-year referrals. The annual contract amount in any one year will not exceed \$35,500 for the audit of the year-end financial statements, preparation of Form 990, and annual audit of the 401K plan. Motion carried unanimously. There was no further discussion.

Action 3 – Annual 401(k) Plan Audit

Information

WorkNet Pinellas, Inc. 401(k) Plan is required to have an annual audit by an Independent CPA firm.

Subsequent to successful contract negotiations with Thomas Howell Ferguson P.A., Thomas Howell Ferguson P.A. will audit the financial statements of WorkNet Pinellas, Inc. 401(k) Plan, which are comprised of the statement of net assets available for benefits as of December 31, 2020, the statement of changes in net assets available for benefits for the year then ended, and the related notes and report on the supplemental schedules for the year ended December 31, 2020.

For calendar year 2020, a limited scope audit, as permitted by USDOL regulations, will not exceed \$7,500.

The annual audit is to be completed and filed along with the Form 5500 by October 15, 2021.

Recommendation

Approval to commence to a limited scope audit and approval for the annual 401(k) Plan audit by Thomas Howell Ferguson P.A..

Discussion: Steven Meier presented expanded information about 401(k) Plan Audit requirements. David Fetkenher inquired about the fees charged by the new firm comparative to former firm, Powell and Jones. Steve Meier confirmed that Powell and Jones’ fees were \$25k for the audit and the 990 and Thomas Howell’s are \$25.5k. For the limited scope audit, Powell and Jones’ fees were \$6k and Thomas Howell’s are \$7.5k. David Fetkenher asked to clarify the fees, as they are listed as \$35k. Steven Meier clarified that the fees provided were for five years and the final year could go as high as \$35k, with small increases each year.

Motion:	Barclay Harless
Second:	David Fetkenher

The Audit Committee recommends approval to commence a limited scope audit and approval for the annual 401(k) Plan Audit by Thomas Howell and Ferguson P.A.. Motion carried unanimously. There was no further discussion.

Other Administrative Matters: None

Public Comments: None

Open Discussion: None

Adjournment

David Fetkenher motioned to adjourn. The meeting was adjourned at 11:10 a.m.

DRAFT



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 Thomas Howell Ferguson P.A. to perform a limited scope audit of the 2020 financial statements at its April 29, 2021, meeting and the Board of Directors followed up with their approval at the May 19, 2021, 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 Thomas Howell Ferguson P.A. 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. Thomas Howell Ferguson P.A. did perform audit procedures on employee eligibility, employer and employee contributions, employee loans, etc. Their responsibility is to express an opinion on the 2020 financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States. Because Thomas Howell Ferguson P.A. performed a limited scope audit, they did not express an opinion on the 2020 financial statements.

The attached financial statements were filed with Department of Labor, along with the organization's Form 5500, by the filing deadline of October 15, 2021. If any changes are required to the audit report, an amended audit report will be filed. The Department of Labor allows amended audit reports to be filed without penalty as long as Form 5500 is filed timely.

RECOMMENDATION

Approval of the enclosed WorkNet Pinellas, Inc. 401(k) Plan Financial Statements and Supplemental Schedule for the years ended December 31, 2020 and 2019.

Financial Statements
and Supplemental Schedule

WorkNet Pinellas, Inc. 401(k) Plan

*Years ended December 31, 2020 and 2019
with Report of Independent Auditors*



WorkNet Pinellas, Inc. 401(k) Plan

Financial Statements
and Supplemental Schedule

Years ended December 31, 2020 and 2019

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Report of Independent Auditors

Plan Administrator
WorkNet Pinellas, Inc. 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of WorkNet Pinellas, Inc. 401(k) Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2020, 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 these 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.

Basis for Disclaimer of Opinion

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 8, which was certified by Reliance Trust Company, the Trustee of the Plan, except for comparing such information with the related information included in the 2020 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, 2020, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

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Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2020 financial statements. Accordingly, we do not express an opinion on the 2020 financial statements.

Other Matter - Supplemental Schedule

The supplemental schedule, Schedule H, Line 4i - Schedule of Assets Held at End of Year as of December 31, 2020, is required by the Department of Labor's (DOL) 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. The supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Other Matter - Accompanying 2019 Financial Statement

The financial statement of the Plan as of December 31, 2019 was audited by predecessor auditors. 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 (ERISA), the plan administrator instructed the predecessor auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by the trustee of the Plan. Their report, dated October 12, 2020, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements; and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the 2020 financial statements and supplemental schedule, 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.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
September 22, 2021

WorkNet Pinellas, Inc. 401(k) Plan

Statements of Net Assets Available for Benefits

	December 31,	
	<u>2020</u>	<u>2019</u>
Assets:		
Investments	\$ <u>3,452,677</u>	\$ <u>3,315,401</u>
Receivables:		
Accrued interest receivable	4,951	3,968
Notes receivable from participants	<u>157,074</u>	<u>148,274</u>
Total receivables	<u>162,025</u>	<u>152,242</u>
Total assets	3,614,702	3,467,643
Liabilities:		
Excess contributions payable	<u>8,214</u>	<u>-</u>
Total liabilities	<u>8,214</u>	<u>-</u>
Net assets available for benefits	\$ <u><u>3,606,488</u></u>	\$ <u><u>3,467,643</u></u>

See accompanying notes to the financial statements.

WorkNet Pinellas, Inc. 401(k) Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2020

Additions:

Investment income:

Interest and dividend income	\$ 171,897
Net increase in fair value of investments	<u>233,384</u>
	<u>405,281</u>

Interest income on notes receivable from participants	9,297
Other income	<u>1,396</u>
	<u>10,693</u>

Contributions:

Participant	124,922
Employer	<u>153,629</u>
	<u>278,551</u>

Total additions	<u>694,525</u>
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Deductions:

Benefits paid to participants	551,497
Administrative expenses	<u>4,183</u>
Total deductions	<u>555,680</u>

Net increase in net assets available for benefits	138,845
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Net assets available for benefits:

Beginning of year	<u>3,467,643</u>
End of year	<u>\$ 3,606,488</u>

See accompanying notes to the financial statements.

WorkNet Pinellas, Inc. 401(k) Plan

Notes to Financial Statements

Years ended December 31, 2020 and 2019

1. Description of Plan

The following description of WorkNet Pinellas, Inc. 401(K) Plan (the Plan) provides only general information. The Plan has implemented certain requirements by the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and the Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act), which laws change the Plan to, among others, allow certain eligible individuals to receive coronavirus-related relief for loan repayment, suspend required minimum distributions, and delay commencement date for required minimum distributions. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan was organized 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. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). 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. Effective January 1, 2021, the Plan moved from ADP Retirement Services to John Hancock Retirement Plan Services (John Hancock).

Eligibility

The Plan covers all employees of the Company with the exception of employees who are not located in one of the WorkNet Pinellas, CareerSource Pinellas, or the CareerSource Tampa Bay offices. Employees of the organization are eligible to participate in the deferral, employer nonelective and matching components of the Plan on the first day of the sixth month of employment. There is no minimum age requirement to participate in the Plan.

WorkNet Pinellas, Inc. 401(k) Plan

Notes to Financial Statements

1. Description of Plan (continued)

Contributions

Each year, participants may authorize the Company to contribute to the Plan up to 100% of their eligible annual compensation, subject to the maximum annual amount permitted under the Internal Revenue Code (IRC). Participants who attain age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also make rollover contributions from amounts representing distributions from other qualified plans. Eligible employees may make pretax or post-tax contributions to the Plan. The Company may make nonelective contributions in a discretionary amount as determined by the Company, and such contributions are not contingent on current or retained earnings. During the year ended December 31, 2020, the Company contributed 5% of each eligible employee's salary on a bi-weekly basis. The Company may elect to make contributions in the form of a matching contribution, in relation to the participants' elective salary deferral contributions, subject to IRS limitations. The Company did not elect to make matching contributions for the year ended December 31, 2020. Participants direct the investment of contributions into various investment options offered by the Plan, subject to IRS limitations.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contributions, and Plan earnings.

Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately fully vested in their contributions plus actual earnings thereon. Vesting in the Company's portion of their accounts and earnings thereon is based on years of continuous service. Participants are fully vested after one year of credited service. Participants become 100% vested upon death or becoming totally and permanently disabled while employed by the Company.

WorkNet Pinellas, Inc. 401(k) Plan

Notes to Financial Statements

1. Description of Plan (continued)

Notes Receivable from Participants

Participants may borrow from their accounts a minimum of \$500 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Three outstanding loans are allowed at a time. Loan terms range from one to five years and are repaid in equal payroll period installments. The loans are secured by the balance in each participant's account and bear interest at rates 5.25% to 7.5%. The interest rate on any loan to a participant shall be a reasonable interest rate commensurate with current interest rates charged for loans made under similar circumstances by persons in the business of lending money.

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 lumpsum amount.

Forfeitures

Forfeited accounts are used to reduce employer contributions. Forfeitures used to reduce employer contributions totaled \$14,211 during the year ended December 31, 2020.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Plan are prepared on the accrual basis of accounting.

Payment of Benefits

Benefits are recorded when paid.

WorkNet Pinellas, Inc. 401(k) Plan

Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for additional discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded when received. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from 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 recorded as administrative expenses and are expensed when they are incurred.

No allowance for credit losses has been recorded as of December 31, 2020 and 2019. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants and benefit payments are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation in fair value of investments.

WorkNet Pinellas, Inc. 401(k) Plan

Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

The Plan has evaluated subsequent events through September 22, 2021, the date the financial statements were available to be issued. During the period from December 31, 2020 to September 22, 2021, the Plan did not have any material recognizable subsequent events.

3. Fair Value Measurements

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 under FASB ASC 820 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 to the valuation methodology include:

- 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; and
- 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 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 methodologies used at December 31, 2020 and 2019.

WorkNet Pinellas, Inc. 401(k) Plan

Notes to Financial Statements

3. Fair Value Measurements (continued)

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 funds: Valued at the unit price reported by the sponsoring trust company. The underlying investments owned by the funds can include money market funds, stable value funds, fixed-income securities registered investment companies, common stocks, corporate bonds, U.S. Government securities, other collective trust funds, or guaranteed insurance contracts priced by the sponsoring insurance company using applicable interest rates and contract provisions. The unit price is based on the fair value of these underlying investments owned, less any accrual of fees and expenses borne by the fund, and divided by the number of units outstanding. The unit price is readily determinable and quoted on the active private market on which participants can transact daily with no redemption restrictions on these investments.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2020 and 2019:

Investments at Fair Value as of December 31, 2020				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 2,486,080	\$ -	\$ -	\$ 2,486,080
Collective trust funds	-	966,597	-	966,597
Total investments at fair value	<u>\$ 2,486,080</u>	<u>\$ 966,597</u>	<u>\$ -</u>	<u>\$ 3,452,677</u>

Investments at Fair Value as of December 31, 2019				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 2,283,280	\$ -	\$ -	\$ 2,283,280
Collective trust 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>

4. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contribution at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their entire account.

WorkNet Pinellas, Inc. 401(k) Plan

Notes to Financial Statements

5. 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.

6. Accounting for Uncertainty in Income

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 if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2020, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. 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 2016.

7. 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 statements of net assets available for benefits.

8. Information Certified by Reliance Trust Company

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants held at December 31, 2020, and net appreciation in fair value of investments and interest and dividends for the year ended December 31, 2020, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Reliance Trust Company, the trustee of the Plan.

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information certified by Reliance Trust Company, the Plan's trustee, except for comparing such information certified by the custodian to information included in the Plan's financial statements and supplemental schedule.

WorkNet Pinellas, Inc. 401(k) Plan

Notes to Financial Statements

9. Related Party Transactions and Party In Interest Transactions

Certain Plan investments are managed by Reliance Trust Company. Reliance Trust Company is the trustee of the Plan and therefore these transactions qualify as party-in-interest transactions. Fees paid by the Plan to the trustee for administrative services amounted to \$4,183 for year ended December 31, 2020.

10. Reconciliation of Financial Statements to the Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2020, to the Form 5500:

	December 31,
	<u>2020</u>
Net assets available for benefits per the financial statements	\$ 3,606,488
Accrued interest receivable	(4,951)
Deemed distributions - 2019	<u>(11,747)</u>
Net assets available for benefits per the Form 5500	<u>\$ 3,589,790</u>

The following is a reconciliation of the change in net assets available for benefits per the financial statements for the year ended December 31, 2020, to the Form 5500:

Change in net assets available for benefits per the financial statements	\$ 138,845
Accrued interest receivable	(4,951)
Deemed distributions - 2019	11,747
Other activity reflected in the Form 5500 not in the trust report	<u>435</u>
Net increase in net assets available for benefits per the Form 5500	<u>\$ 146,076</u>

Supplemental Schedule

WorkNet Pinellas, Inc. 401(k) Plan

Schedule H, Line 4i - Schedule of Assets Held at End of Year

December 31, 2020

	<u>Fair Value</u>
Reliance Trust Company*	
Investments in Registered Investment Companies	
Amercent One Choice 2045 A	\$ 142,639
T. Rowe Price Mid-Cap Value - R	301,630
Nuveen Mid Cap Grth Opps A	244,507
Victory Integrity SM Cap Val A	219,661
PGIM High Yield - A	5,039
PIMCO Income Fund - A	36,813
Thornburg Inv Inc BLD R4	31,783
PIMCO Real Return Fund - A	23,586
Inv Develop Markets - A	28,760
AMC Disciplined Core Value A	209,139
Amercent One Choice 2055 A	80,926
Amercent One Choice 2050 A	111,278
George Putnam Balanced M	91,010
Amercent One Choice 2030 A	42,798
Franklin SM Cap Grth A	64,286
Invesco Opp Intl Growth - A	6,683
Pioneer Bond Fund - A	28,244
Amercent One Choice Retire A	139,162
Amercent One Choice 2025 A	75,219
Invesco Global A	135,723
Alger Capital Appr Instit - I	155,500
Franklin Utilities Fund A1	14,489
Amercent One Choice 2040 A	87,211
T. Rowe Price Intl Value Eq Adv	715
Amercent One Choice 2035 A	191,455
DWS Real Est Sec A	13,564
MFS Intl New Discovery R3	4,260
Total Investments in Registered Investment Companies	<u>\$ 2,486,080</u>
Common/Collective Trusts	
Invesco Stable Asset	\$ 649,579
State St US LG CP Active NL J	35,751
State St Intl Idx Seclend VIII	63,572
State St Russ SC Idx VIII	16,356
State St S&P 500 Idx IX	174,421
State St S&P MD CP Idx NL J	12,321
State St Mod Str Bal SLS VII	1,190
State St Agg Str Bal SLS VII	13,407
Total Common/Collective Trusts	<u>\$ 966,597</u>
Total investments held at end of year	<u>\$ 3,452,677</u>
Notes receivable from participants (interest rates 5.25% - 7.50%)	<u>\$ 157,074</u>

**Indicates a party in interest.*

Historical cost is not required to be presented as all investments are participant-directed.

The above information has been certified by Reliance Trust Company as complete and accurate.

See report of independent auditors.

Plan Administrator
WorkNet Pinellas, Inc. 401(k) Plan

We are pleased to present this report related to our audit of the financial statements of the WorkNet Pinellas, Inc. 401(k) (the Plan) as of and for the year ended December 31, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Plan's financial reporting process.

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated June 8, 2021. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We discussed with members of the Plan's management various matters about which generally accepted auditing standards require communication. These include matters concerning two-way communication, our independence, the audit planning process, the concept of materiality in planning and executing the audit, our approach to internal control relevant to the audit, and the timing of the audit.

Area	Comments
Accounting Policies and Practices	Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Plan. The Plan did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period. Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
Management's Judgments and Accounting Estimates	The preparation of financial statements often requires management to make estimates and assumptions that affect amounts recorded and disclosed in the financial statements. During our procedures, we did not become aware of any significant estimates that had a material effect on the financial statements. However, the Plan Administrator and management should evaluate financial activity throughout the year for changes in operations that could involve estimates, and in such cases work with management to identify and monitor the processes used to determine and account for such estimates.
Audit Adjustments	Audit adjustments proposed by us and recorded by the Plan are shown on the attached Exhibit A.
Uncorrected Misstatements	There were no uncorrected misstatements that management determined to be immaterial.

Area	Comments
Departure from the Auditor's Standard Report	<p>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 8, which was certified by Ascensus, the Trustee of the Plan, except for comparing such information with the related information included in the 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 December 31, 2020 and 2019, and for the year ended December 31, 2020, that the information provided to the Plan Administrator by the Trustee is complete and accurate. Because of the significance of this matter, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements and have issued a disclaimer of opinion in the related report of independent auditors.</p> <p>The supplemental schedules are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and is not a required part of the financial statements. The supplemental schedules are the responsibility of the Plan's management. We do not express an opinion on the supplemental schedules and have included an Other Matter paragraph in the related report of independent auditors.</p>

Area	Comments
Other Information in Documents Containing Audited Financial Statements	Our responsibility for other information in documents containing the Plan's audited financial statements is to read the information and consider whether its content or manner of its presentation is materially inconsistent with the financial information covered by our auditor's report or whether it contains a material misstatement of fact. We read the Plan's Form 5500 filing for consistency with information in the financial statements. We are not aware of other documents that contain the audited financial statements. We did not identify material inconsistencies with the audited financial statements, other than appropriate reconciling items with the Form 5500 as disclosed in the notes to the financial statements.
Supplemental Schedule	With respect to the supplemental schedule accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the method of preparing it had not changed from the prior period, and the information is appropriate and complete. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements, or to the financial statements themselves.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Area	Comments
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed with or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit. We received full cooperation and appreciate the assistance provided by the Plan's financial and accounting personnel.
Letter(s) Communicating Significant Deficiencies and Material Weaknesses in Internal Control Over Financial Reporting	We did not identify any such matters requiring communication to management during our audit of the financial statements
Significant Written Communications Between Management and Our Firm	See Exhibit B for a copy of the representation letter provided to us by the Plan's management.

This report is intended solely for the information and use of the Plan Administrator and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the WorkNet Pinellas, Inc. 401(k) Plan.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
September 22, 2021

WorkNet Pinellas, Inc. 401(k) Plan

Year End: December 31, 2020

Journal Entries: Adjusting

Date: 1/1/2020 To 12/31/2020

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
AJE#1	12/31/2020	Employee Contributions	30001	4204		7,230.00			
AJE#1	12/31/2020	Excess Contributions Payable	30002THF	4204			7,230.00		
		To adjust for corrective distributions noted during compliance testing at [4204].							Factual
						7,230.00	7,230.00		
		Net Income (Loss)	138,845.00						

September 22, 2021

Thomas Howell Ferguson P.A.
2615 Centennial Boulevard, Suite 200
Tallahassee, Florida 32308

This representation letter is provided in connection with your audit of the financial statements of WorkNet Pinellas, Inc. 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, the related statement of changes in net assets available for benefits for the year ended December 31, 2020; and the related notes to the financial statements.

We have determined that the Plan Trustee, Reliance Trust Company (Reliance), qualifies to issue a certification of the Plan's asset activity under Section 2520.103-5 of the Department of Labor's (DOL) Rules and Regulations. Therefore, as permitted by Regulation 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), we have instructed you not to perform any auditing procedures with respect to asset information certified or provided by Reliance, the Trustee, other than comparing that information with the related information included in the financial statements and supplemental schedule. Because of the significance of the information that you did not audit, we understand that you will not express an opinion on the financial statements and supplemental schedule as a whole.

We confirm, to the best of our knowledge and belief, that as of the date of this letter:

Financial Statements

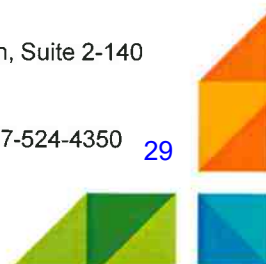
1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated June 8, 2021 for the preparation and fair presentation of the financial statements referred to above in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.



4. We are responsible for making the accounting estimates included in the financial statements. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. In that regard, we are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or other third parties. The methods and significant assumptions used to determine fair values of the financial instruments are as follows:
 - *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.
 - *Common collective trusts*: Valued based on the closing market price reported on the active market on which the underlying investments are traded.

Our valuation methodologies have been consistently applied from period to period. The methods and assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

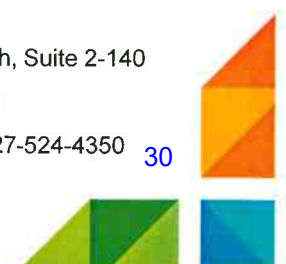
6. All significant estimates and material concentrations known to management that are required to be disclosed in accordance with the Risks and Uncertainties Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) have been properly recorded and/or disclosed in the financial statements. Significant estimates are estimates at the statement of net assets available for benefits date that could change materially within the next year. Concentrations refer to the nature and type of investments held by the Plan, or markets in which events could occur that would significantly disrupt normal finances within the next year.
7. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
8. Transactions with parties in interest, as defined in ERISA Section 3(14) and regulations thereunder, including sales, purchases, loans, transfers, leasing arrangements and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed.
9. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.



10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
11. We have no intention to terminate the Plan.
12. We have properly reported and disclosed amendments to the Plan instrument, if any.
13. With respect to financial statement preparation services performed in the course of the audit:
 - a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.
14. We have no knowledge of any uncorrected misstatements in the financial statements.

Supplementary Information

15. With respect to the supplemental schedule:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. There are no underlying significant assumptions or interpretations regarding the measurement or presentation of such information.
 - e. We will only present the supplemental schedule together with the audited financial statements and auditor's report thereon and will not separate the supplementary information from the audited financial statements and auditor's report thereon in any document that contains such information.



Information Provided

16. We have provided you with:

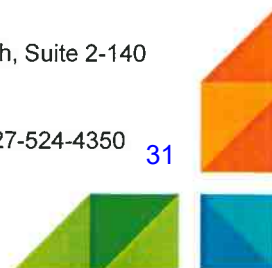
- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
- b. Additional information that you have requested from us for the purpose of the audit;
- c. Unrestricted access to persons within the Plan from whom you determined it necessary to obtain audit evidence;
- d. The currently effective version of the Plan document, the trust agreement or insurance contracts, and all related amendments. The Plan was effective as of 07/01/2004.
- e. All correspondence, filings, reports and determinations with the Internal Revenue Service (IRS) and the DOL relating to the Plan's compliance with ERISA and the maintenance of its tax-exempt status; and
- f. All Plan financial records and related data. In that regard, the payroll information we provided you covered all employees that were eligible to participate in the Plan.

17. All transactions have been recorded in the accounting records and are reflected in the financial statements.

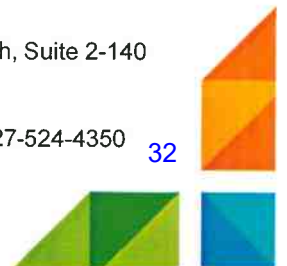
18. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

19. We have no knowledge of allegations of fraud or suspected fraud affecting the Plan involving:

- a. Management.
- b. Employees who have significant roles in internal control.
- c. Others where the fraud could have a material effect on the financial statements.



20. We have no knowledge of any allegations of fraud or suspected fraud affecting the Plan received in communications from employees, former employees, participants, regulators, beneficiaries, service providers, third-party administrators or others.
21. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements, and neither we nor the Plan Sponsor, or others acting on behalf of the Plan, have consulted a lawyer concerning litigation and claims or other matters affecting the Plan.
22. We have disclosed to you the identity of the Plan's related parties and parties in interest and all the related-party and party-in-interest relationships and transactions of which we are aware.
23. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Plan's ability to record, process, summarize and report financial data.
24. We have no plans or intentions that may materially affect the carrying value or classification of assets or liabilities.
25. The Plan has satisfactory title to all owned assets that are recorded at fair value, and all liens, encumbrances or security interests have been properly disclosed.
26. Financial instruments with off-balance-sheet risk have been properly disclosed.
27. Concentrations of credit risk have been properly disclosed.
28. We have answered your questions about the Plan's tax compliance to the best of our knowledge and belief.
29. There have been no communications, whether written or oral, from regulatory agencies concerning noncompliance or deficiencies in the operation of the Plan.
30. We have complied with (a) all aspects of debt and other contractual agreements, including provisions of the Plan, that would have a material effect on the financial statements in the event of noncompliance, (b) the fidelity bonding requirements of ERISA, (c) all participant eligibility and coverage requirements of the Plan, ERISA and the Internal Revenue Code (IRC), and (d) the filing requirements of appropriate agencies.
31. We have complied with the DOL's regulations concerning the timely remittance of participants' contributions to trusts containing assets for the Plan.



32. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations.
33. The IRS has determined and informed the Plan Sponsor, by a letter dated 07/08/2014, that the Plan is qualified and the trust established under the Plan is tax-exempt under the appropriate sections of the IRC. We have operated the Plan and trust in a manner that did not jeopardize this tax status.
34. We have reviewed the complementary user entity control considerations of the Service Organization Controls (SOC 1) Report for ADP's Retirement Services 401K/Qualified Plan and Participant Recordkeeping Operations Services System and Reliance Trust Company (and corresponding Gap Letter) for the periods ended December 31, 2020 and September 30, 2020, respectively, and we believe all applicable controls are properly designed and implemented and operating effectively.
35. There are no:
- a. Non-exempt (prohibited) party-in-interest transactions that were not disclosed in the financial statements or supplemental schedule.
 - b. Notes receivable from participants or other receivables or investments in default or considered to be uncollectible that were not disclosed in the financial statements or supplemental schedule.
 - c. Reportable transactions that were not disclosed in the supplemental schedule.
36. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.



Steven Meier, CPA
Chief Financial Officer





ACTION ITEM 3

Department of Economic Opportunity 2021-2022 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).

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. However, DEO extended the deadline to November to allow the CareerSource Pinellas Audit Committee and Board to review and approve the ICQ at their October and November meetings, respectively. Some of the new controls implemented during the last year were as follows:

- Implemented many IT strategic initiatives that strengthened access and physical controls over IT processes
- Hired external firm to perform semi-annual internal monitoring
- Improved and strengthened Sub-recipient monitoring
- Elimination of supportive service cards
- Renewed 24/7/365 cyber-security monitoring

RECOMMENDATION

Approval of the enclosed 2021-2022 Internal Control Questionnaire and Assessment.

2021-22 Internal Control Questionnaire and Assessment

Bureau of Financial Monitoring and Accountability
Florida Department of Economic Opportunity

August 20, 2021

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



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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 is consistently and effectively communicated throughout the LWDB, both in words and deeds.
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 has a code of ethics and code of conduct that has been clearly communicated to all staff, board members, and outsourced service providers. It clearly defines expectations and standards that align with management's beliefs. The code of conduct (p42) and code of ethics (p47) is included 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>On an annual basis, all board members complete/acknowledge and sign an Ethics and Transparency Policy Acknowledgement, a Board of Directors Statement of Commitment</p>

						<p>and a Conflict of Interest Disclosure Policy Acknowledgement and, if applicable, a Conflict of Interest Disclosure Statement. In addition, each board member is required to complete an annual financial disclosure from the Pinellas County Supervisor of Elections.</p> <p>The LWDB adopted the CareerSource Florida Ethics and Transparency Policy on September 26, 2018.</p>
3.	<p>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.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p><input checked="" type="checkbox"/> When hiring from outside the organization the person is trained and made aware of the importance of high ethics and sound internal controls. The code of conduct and code of ethics is included the LWDB's employee handbook. The employee handbook is signed by every new hire as evidence that they understand the policies, rules and regulations of the LWDB.</p> <p>In addition, standard operating procedures address internal controls. In Program Year 2021, an all-employee Ethics training was required of all Team Members with three different modules covering topics</p>

								including Diversity, Harassment, and Ethics.
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 of Directors is maintained in accordance with Federal and State regulations. All members are nominated and 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 the community as a whole. Each board member provides 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"/>		The LWDB’s external auditors directly communicate both verbally and in writing to the Audit Committee. In

							<p>addition, the external auditor provides a presentation to the Board of Directors of the overall financial statement audit. The 2019-2020 Independent Auditors Report was presented and approved at the Audit Committee and at the full Board of Directors meeting on March 17, 2021.</p>
6.	<p>The board of directors establishes the expectations and evaluates the performance of the chief executive officer or equivalent role.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>As outlined in the By-Laws, the Ad Hoc CEO/Legal Committee conducted the annual review of performance and compensation for the CEO on October 8, 2020. The review addressed the approved CEO Performance Goals, including Financial Management, Legal Compliance, Strategic Planning, Governance, Accountability and Transparency, Workforce Development Performance, Key Relationships and Partnerships, and Organizational Leadership.</p> <p>The Board of Directors approved the 2019-2020 Performance Review of the CEO at the November 18, 2020 Board meeting.</p>
<p>Principle 3. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.</p>							

7.	<p>Management reviews and modifies the organizational structure of the LWDB in light of anticipated changing conditions or revised priorities.</p> <p>Provide the date of last review.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Management reviews and modifies the organizational structure of the LWDB in light of anticipated changes or revised priorities, operational changes and/or financial resources. The organization chart was presented at the Compensation Committee and the July 14, 2021, Board of Directors meeting. 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.</p>
8.	<p>Specific lines of authority and responsibility are established to ensure compliance with federal and state laws and regulations.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>The LWDB has established specific lines of authority and responsibility to ensure compliance with federal and state laws and regulations. Roles and responsibilities are articulated in job descriptions and work plans. LWDB has also established appointees for Regional Security Officer(s), purchased property and equipment custodian, DEO personnel liaison, public records coordinator, and Ethics Officer, in</p>

							accordance with the Grantee-Subgrantee Agreement.
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Internal controls are the mechanisms, rules, and procedures implemented by the LWDB to ensure the integrity of financial and accounting information, promote accountability and prevent fraud. Besides complying with laws and regulations, internal controls and division of responsibility help improve operational efficiency by improving the accuracy and timeliness of financial reporting.</p> <p>Wherever practical, segregation of duties is assigned to minimize the occurrence of errors or fraud by ensuring that no employee has the ability to both perpetuate and conceal errors or fraud in the normal course of duties.</p>
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 Executive Leadership Team evaluates training opportunities and continuing education periodically to develop and retain competent personnel. The DEO offers various training programs, and staff training records are tracked in an access

							<p>database that is monitored on an ongoing basis.</p> <p>LWDB met or exceeded the DEO requirements of 15 hours in PY 2020-2021. Leadership continues to focus on training and creating professional development opportunities for staff. 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. Operations Director monitors staff activities, and recently oversaw TAA Training that was disseminated to rest of the staff. HR Director attends monthly networking meetings to maintain SPHR and SHRM-SCP certifications.</p>
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. Talent Acquisition Strategies are focused on Motivation-Based Interviewing to ensure the organization is identifying the right

							<p>talent. The Board of Directors will appoint an interim CEO in the event this position is vacated unexpectedly. We are currently hiring a Comptroller to support the CFO role. If the CFO were to vacate the position, the Comptroller could step in to bridge the gap until a CFO is hired. A proactive and systematic process has been utilized to identify those positions considered to be at the core of the organization. The organization will re-evaluate this business structure on an ongoing basis. A Comprehensive Review of organizations structure, salary, and positions will be conducted in PY'2021-2022. The Comprehensive Review was approved by the Board of Directors in June 2019.</p>
12.	For all employees, the LWDB regularly evaluates the performance of the employee and shares the results with the employee.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>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</p>

							<p>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 June 5, 2019. Job descriptions continue to be reviewed on an ongoing basis.</p> <p>Employees are evaluated on an annual basis corresponding to the program year. In addition, management initiates frequent, ongoing performance discussions in real time, and utilizes reports from EF to manage and monitor performance.</p>
<p>Principle 5. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.</p>							
13.	<p>The LWDB has mechanisms in place to ensure that all required information is timely published to the website in a manner easily accessed by the public in compliance with laws, regulations, and provisions of grant agreements. NEW QUESTION</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>A staff member has been assigned to this role. Local trackers serve as internal controls to ensure compliance along with periodic review and inventory of the website, and independent internal monitoring.</p>

							However, as we move forward, we will review the effectiveness of this process, and may align this role with the administrative assistant.
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<p>The LWDB's structure and tone at the top helps establish and enforce individual accountability for performance of internal controls has been amplified throughout the organization. This is reinforced through regular communication, review of performance goals vs actual, and review of internal activities and controls.</p> <p>The LWDB hired an outside firm to conduct internal monitoring on a semi-annual basis. The Executive Leadership Team developed a matrix that lists all findings and observations from the internal monitoring in order to follow-up and resolve these on a timely basis. In addition, internal training is developed and presented based upon the results of the reviews in an effort to prevent the issues from reoccurring. Procedures have been put in place for communicating with DEO and other organizations.</p>

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 checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Subrecipient service providers are monitored on an annual basis as required by Federal Grant Guidelines and the Organization’s Compliance Monitoring Policies and Procedures. In addition, the LWDB has assigned dedicated board staff to be a liaison with our largest subrecipient and will have monthly progress meetings for 2021-2022.</p> <p>Also, vendors are monitored and reviewed to ensure compliance with deliverables. The respective agreement is used as a tool for monitoring.</p>

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"/>	Management reviews and identifies risk at each location where the LWDB conducts activities.

					<p>In addition, we will also use the results of internal monitoring to assess the risks within the organization. Where appropriate, key controls will be implemented, communicated to the appropriate staff and periodically monitored.</p> <p>Additionally, the four pillars of a risk intelligent culture are reinforced including risk competence, motivation, relationships, and organizations. Risk Competence – desirable behaviors are those that proactively share best practices and consulting with others when in doubt and detrimental behaviors are reluctance to learn from past mistakes and following the herd. Motivation -desirable behaviors include admitting to making mistakes and taking personal accountability for managing risk and detrimental behaviors are those that reward taking excessive risk. Relationships – desirable behaviors are open and honest dialogue regarding risks and constructive response to challenge and detrimental behaviors are yielding to inappropriate pressures from others. Organization – desirable behaviors are following risk management policies and</p>
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							processes and involving others in risk decisions and detrimental behaviors are reticence to escalate risks appropriately and cutting corners.
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"/>	Periodic programmatic, budget and program meetings are conducted where performance and available funding is discussed. If needed, resources are re-allocated in order to meet desired operational and financial performance. To assist, the LWDB is revising their internal reporting to better highlight the information needed to make decisions. 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 financial package has been developed and distributed that contains, a monthly review of actual versus budgets, actuals versus prior years, grant spending, etc. Also, regular meetings, at minimum, with department stakeholders are implemented to review

							<p>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. In addition, an outside firm was hired to perform internal monitoring on both program and finance procedures on a semi-annual basis.</p>
<p>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>Management ensures that risk identification considers internal and external factors and the potential impact on the achievement of objectives.</p> <p>What measures are being taken to address the risk of cybersecurity in the organization?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Finance and Administrative: The LWDB has a finance and administrative team that supports risk identification and considers internal and external factors and the potential impact on the achievement of objectives.</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</p>

							and hardware upgrades and cybersecurity monitoring. Also, the LWDB contracted with an outside organization to perform Security Awareness Training during 2020 and is renewing contract to have additional Security Awareness Training for all staff for an additional year.
20.	<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>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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>During 2020-2021, with the oversight of the vCIO, the LWDB migrated to Office 365 for email, implemented multi-factor authentication, transitioned applications to the Cloud, upgraded employee workstations and rolled out Microsoft Azure and InTune.</p>
21.	<p>The LWDB's risk identification/assessment is broad and includes both internal and external business partners and outsourced service providers.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>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 and/or informal meetings, as needed. In addition, it ensures that all contracts with outsourced service providers contain confidentiality agreements, conflict of interest certifications and that the provider abides by all laws and norms when conducting business as an agent of the</p>

							<p>LWDB. The LWDB continues to evaluate options to gauge risks, manage change, and hold staff accountable to organizational standards, policies, and procedures. The goal is to create a risk intelligent culture within the organization.</p> <p>A risk assessment has been conducted for the subrecipients for 2021-2022. As a result, a dedicated staff person has been assigned to oversee subrecipients and to hold monthly progress meetings to ensure that the subrecipient is proceeding with achieving performance objectives delineated in their contract.</p>
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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The LWDB continuously evaluates areas of exposure to fraudulent activity. There are periodic Leadership Team meetings to evaluate potential exposures. In addition, semi-annual internal monitoring performed by an outside firm will be utilized as a means of identifying potential risk areas. In addition, the organization has strengthened monitoring of its subrecipients and the LWDB eliminated the use of prepaid visa cards.</p>

							<p>The LWDB has a performed risk assessment for the subrecipients for 2021-2022. As a result, a dedicated staff person has been assigned to oversee subrecipients and host monthly progress meetings to ensure that the subrecipient is proceeding with achieving performance objectives delineated in their contract.</p> <p>The LWDB also strengthened IT controls by performing the following:</p> <ul style="list-style-type: none"> • Implemented Microsoft 365 • Deployed 75 new laptops • Upgraded 2 SonicWall Firewalls • Implemented Multi-Factor Authentication • Upgraded high-speed switches at its locations • Re-wired and cleaned up network closets • Migrated Active Directory to Microsoft Azure • Migrated network directories to Microsoft SharePoint • Migrated employee home drives to Microsoft OneDrive
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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>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 key Executive Leadership Team members, including the CFO, Programs Operations Director, and HR Director, evaluate 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. Leaderships Team meetings are also used as a forum to discuss areas of potential impact. In addition, bi-annual internal monitoring is utilized as a means of identifying potential risk areas. In addition, the LWDB requires two signatures on all checks, does not allow wire transfers and eliminated the use of prepaid visa cards during 2021.</p>
<p>Principle 9. The organization identifies and assesses changes that could significantly impact the system of internal controls.</p>							
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 type="checkbox"/>	<input checked="" 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. USDOL/ETA advisories and DEO communiques which impact the Organization are tracked and</p>

							<p>disseminated to the Leadership Team during scheduled meetings. Also, the CFO attends various webinars on upcoming changes in financial accounting standards. 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>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>1) Business Interruption: A natural disaster could impact the area and operations making it impossible go into the office or causing serve damage to inventory or equipment.</p> <p>2) Talent Development: Ensuring all team members are in positions that align with their skills set. Where there is a misalignment, it is important to provide training, such as project</p>

								<p>management, and leadership training and/or to realign the employee with a position that better matches their skills set and interest.</p> <p>3) Accountability: Ensuring that everyone in the organizations understands the performance measures that guide the organization. These performance measures are outlined by USDOL and DEO. Every team member is responsible for ensuring interaction with every individual every day reinforces a positive customer experience and helps achieve these objectives/goals.</p> <p>4) Risk Intelligence Culture: Getting risk culture right is fundamental to controlling risk effectively within the organization. It is, above all, about actual behavior – what you do, not just what you say. It is creating a culture where everyone understands the organization’s approach to</p>
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							<p>risk, takes personal responsibility to manage risk in everything that they do, and encourages others to follow their example.</p> <p>In this regard, it is necessary to continue to reinforce commonality of purpose, values and ethics; adopt universal application of policy and processes; create a learning organization; provide timely, transparent and honest communications; ensure individual and collective responsibility; have an expectation of challenge; create and follow a clear organizational structure; and to provide training.</p>
26.	Considering the most significant risks, have controls been designed and implemented that mitigate risks associated with each.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>1. Business Interruption. Pinellas County has recently updated their Disaster Recovery Plan. LWDB 14 will review this plan and adopt the tenants of the plan for implementation within the organization.</p>

							<p>2. Accountability. To continue to reinforce the need to take ownership of results (our own contributions and those of the team) and to be accountable for results. To continue to review performance measures established by DEO/USDOL and to ensure each member understand their role, and how they contribute to the overall success of the organization.</p> <p>3. Talent Development. A comprehensive review of salaries, job descriptions, duties and responsibilities will be conducted by a third-party vendor. Based on this review, adjustments may be made to better align people with positions within the organization. Additionally, we will research the concept of contracting with a vendor to manage activities related to career and workforce services.</p> <p>4. Risk Intelligence Culture: LWDB will continue to reinforce the management philosophy and mission, specify the values that guide operations,</p>
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							have a clear organizational structure, provide performance measures/metrics, and provide training. To expect all employees to look upstream and downstream for all potential impacts of actions and decisions and to be responsible for bringing solutions forward.
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CONTROL ACTIVITIES

<i>Self-Assessment of Policies, Procedures, and Processes</i>				
<i>Weak</i>		<i>Strong</i>		
1	2	3	4	5

Comments/Explanations

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.	The LWDB has a written business continuity plan which includes contingencies for business processes, assets, human resources and business partners, and is periodically evaluated and updated to ensure continuity of operations to achieve program objectives. NEW QUESTION	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	LWDB 14 follows the Local Workforce Development Plan approved by DEO which includes relevant information regarding business processes, assets, human resources, business partners, operations, and program objectives. However, as we move forward, it will be important to review this Plan, and further identify and detail specific contingencies necessary to ensure continuity of operations to achieve program objectives.
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CONTROL ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
28.	<p>Controls employed by the LWDB include authorizations, approvals, comparisons, physical counts, reconciliations, supervisory controls and allowable use of funds.</p> <p>What type of training is provided to program and administration staff to ensure the allowable use of funds?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>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 fully implemented online purchase order and approval process. Periodic budget meetings are conducted with program directors to discuss status of all open grants.</p>
29.	<p>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.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>LWDB uses two Regional Security Officers (RSO) to ensure a thorough overview of system access and privileges. The RSO conduct a full update of system privileges and access semi-annually and upon guidance/request of DEO and all other governing authorities. RSO meet with the Executive Leadership Team monthly to ensure proper connectivity and oversight. In addition, the LWDB has procedures in place ensure proper addition/removal of access in the required 24-hour period of employment commencement/termination. As we move forward, it will be important to review the RSO responsibilities, to</p>

CONTROL ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
							support the risk culture, and provide detailed, written reports.
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.	<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. There is a process for approval when employees request email, groups, or any other changes to the information technology process. In addition, we contract with an outside firm to perform 24/7/365 cybersecurity monitoring of our network.
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"/>	LWDB contracts with a professional, IT vendor to ensure the appropriate technology controls are in place to address the risks of using applications hosted by third parties.

CONTROL ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
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. Physical safeguards have been

CONTROL ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
							installed during 2021, whereby locks were installed on the doors of the CEO, CFO, HR Director and Finance Coordinator.
Principle 12. The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.							
33.	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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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 mentioned previously, the LWDB has eliminated the use of prepaid visa cards.
34.	The LWDB has written procedures that minimize the time elapsing between the receipt of advanced funds and disbursement of funds as required by 2 CFR 200.305(b)(1). NEW QUESTION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The LWDB's Financial Policies and Procedures address cash advance procedures which minimizes the time between the receipt of the funds and the disbursement of funds.

CONTROL ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
35.	The LWDB has processes to ensure the timely submission of required reporting (i.e., financial reports, performance reports, audit reports, internal monitoring reviews, or timely resolution of audit findings). NEW QUESTION	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Currently, local trackers and calendar reminders serve as internal controls to help manage this process. However, as we move forward, we will evaluate this approach to ensure there is a robust system in place to ensure the timely submission of required reporting.
36.	The LWDB has a records retention policy and has implemented internal controls to ensure all records are retained, safeguarded, and accessible, demonstrating compliance with laws, regulations, and provisions of contracts and grant agreements. NEW QUESTION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The LWDB maintains a records retention policy ensuring the accessibility, retention and safeguarding of records according to required laws and regulations.

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	
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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	New policies and procedures are reviewed, on an as needed basis, with the relevant

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	
	How often are these reviewed?						committee before being approved by the Board of Directors.
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.	<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.							

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	
40.	<p>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.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>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.</p> <p>From July 1, 2020, through June 30, 2021, there were five Board meetings that consisted of 65 action items and an additional 59 informational items. In addition, there were 26 committee meetings during the same period.</p>
41.	<p>There is a process to quickly disseminate critical information throughout the LWDB when necessary.</p> <p>Provide a description of the dissemination process.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>There has been a concerted effort to centralize communication within the organization. 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 all options for communication have been explored and provide a distribution forum</p>

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	
							<p>that quickly disseminates critical information. Some examples of means by which information is distributed throughout the LWDB are CEO bi-weekly emails in conjunction with HR Happenings, periodic staff town halls, Workforce News publications and the Chair's report.</p> <p>In addition, the Program Director conducts weekly meetings where upward communication is encouraged. Upward communication can increase workplace productivity and employee satisfaction. Upward communication is a process where employees can communicate with management to provide feedback complaints, suggestions regarding day-to-date operations within the organization.</p>
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Policy received from CareerSource Florida and DEO go through a review process. Since most CSF policies are comprehensive and go through a robust review and approval process. The philosophy is to simply customize policy to LWDB 14, adding any specific local</p>

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	
							operation procedures, presenting to the One-Stop Committee, and then, presenting to the Board of Directors for review and final approval. Thereafter, policy updates are used to create training that is deployed to all applicable staff, managers, and senior leadership. Training acknowledgement and ongoing quality checks ensure new policy adherence. As we move forward, it is important to focus on a smooth transition from approval of policy, finalizing written work instruction, providing training, and ensuring regular follow-up to ensure compliance.
Principle 15. The organization communicates with external parties regarding matters affecting the functioning of internal controls.							
43.	<p>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.</p> <p>Describe the process of how someone could report improprieties. Who receives/processes/investigates, etc.?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>The LWDB Board Chair, Vice Chair, and Chief Executive Officer are available to report improprieties along with the opportunity to make confidential calls with any issues that may arise. A member of the Senior Leadership Team is the designated Equal Employment Opportunity (EEO) officer. The most recent monitoring of the company's EEO process was conducted in April 2019;</p>

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	
							there were no findings. In addition, the employee handbook contains a whistleblower policy and compliant policy. Additionally, any member of the Executive Leadership Team, including the HR Director, are available to discuss any concerns. The means for anyone with in LWDB 14 to report suspected improprieties regarding fraud; errors in financial reporting, procurement, and contracting; improper use or disposition of equipment; and misrepresentation or false statements has been reviewed with the Board of Directors and General Counsel to ensure there are comprehensive, robust avenues and processes available for reporting.
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 type="checkbox"/>	<input checked="" 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. Also, independent audit reports, annual Form 990 and other reports are available on the LWDB's website.

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.							

MONITORING ACTIVITIES

		Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
		Weak		Strong			
		1	2	3	4	5	
46.	<p>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.</p> <p>Describe the process of how funding decisions are determined. What are the criteria, who initiates/approves, etc.?</p>	<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.
47.	<p>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.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The LWDB procured an outside firm to perform internal monitoring for all programs and administrative functions on a semi-annual basis.
48.	<p>LWDB management periodically visits all career center locations in its region (including subrecipients) to ensure the policies and procedures are being followed and functioning as intended.</p> <p>When was the most recent visit performed, by whom, and who were the results communicated to?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>CareerSource Pinellas program Directors visit the Career Center locations periodically to meet with staff and for training.</p> <p>The One-Stop Operator conducted a formal visit in October 2019. The results of this visit were shared with the Executive Leadership Team. Since then, on an at least weekly basis,</p>

MONITORING ACTIVITIES

		<i>Self-Assessment of Policies, Procedures, and Processes</i>					Comments/Explanations
		<i>Weak</i>		<i>Strong</i>			
		1	2	3	4	5	
							<p>the Director of Talent and Business Development and/or Program Coordinators visits the one-stop centers. The purpose of these visits is to ensure policies and procedures are being followed.</p> <p>Subrecipient monitoring is conducted annually to ensure compliance with requirements. The last subrecipient monitoring occurred during the first quarter of 2021 and we have begun planning for 2021-2022 activities. In addition, we have implemented monthly meetings with our largest subrecipient to monitor progress towards goals and objectives.</p>
<p>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.</p>							
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 or observations are reported by the external auditor, internal monitors, financial and/or programmatic monitoring, a plan of action and implementation deadline is established.

MONITORING ACTIVITIES

		Self-Assessment of Policies, Procedures, and Processes					Comments/Explanations
		Weak		Strong			
		1	2	3	4	5	
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>Are subrecipient monitoring activities outsourced to a third party? If so, provide the name of the party that performs the subrecipient monitoring 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 by LWDB staff for the LWDB's two subrecipients. The results of those monitoring reviews are communicated, as appropriate, and any significant issues, if any are shared with the LWDB Board of Directors. The LWDB shared the results of the most recently completed subrecipient monitoring reviews with the Audit Committee on October 27, 2021, and Board of Directors on November 17, 2021.</p>

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 2021-2022 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: October 27, 2021

To be completed by the Board Chair or their designee:

I have reviewed the self-assessment of internal controls that was conducted for the 2021-2022 fiscal monitoring period.

Signature: _____

Printed Name: Barclay Harless

Title: Board Chair

Date: October 27, 2021

Please scan and upload to SharePoint an executed copy of this certification on or before **September 30, 2021**.
*Requested an extension to November 17, 2021, due to the date of receipt of the ICQ and the next available meeting date of the Board of Directors.



INFORMATION ITEM 1

Subrecipient Monitoring

For the Period July 1, 2020 – June 30, 2021

2 CFR 200.331(d) requires that awarding agencies “monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward.” CareerSource Pinellas conducts business with two entities that are considered subrecipients, Pinellas Education Foundation (Youth Connect) and Dynamic Workforce Solutions (One-Stop Operator).

Pinellas Education Foundation

Period Reviewed – July 1, 2019 – July 31, 2020

Contracted Amount - \$588,583

Observations

- Document and certify cost allocation plan
- Ensure proper internal controls are in place for prepaid supportive services cards
- Strengthen controls surrounding preparation of personnel activity reports
- Utilize training vouchers whenever possible to prevent being overcharged
- Ensure that timesheets are properly approved (repeat of prior year observation)

Technical Assistance

- Document procurement policy consistent with 2 CFR 200
- Florida Reemployment Taxes were not charged to Youth Connect grant
- Strengthen password requirements for financial systems
- Consider revising accounting policies and procedures (repeat of prior year technical assistance)
- Consider applying for an indirect cost rate or elect to charge a de minimis rate of 10% (repeat of prior year technical assistance)

Dynamic Workforce Solutions

Period Reviewed – July 1, 2019 – August 14, 2020

Contracted Amount - \$47,000

Other Non-Compliance Issue

- Recommendation to update indirect cost rate

Observation

- Recommendation to update cost allocation plan

The Internal Control Questionnaire from DEO that each Local Workforce Develop Board (LWDB) is required to complete on an annual basis specifically asks whether LWDB monitors all subrecipients and communicates the monitoring results to the LWDB’s board of directors. ⁷⁹