

**CareerSource Pinellas
Audit Committee Minutes**

Date: October 27, 2021 – 11:00 A.M.

Location: Virtual Zoom Meeting

Call to Order

Committee Chair, Dr. Rebecca Sarlo, called the meeting to order at 11:01 am. There was a quorum present with the following members participating.

Committee Members in attendance

Barclay Harless, David Fetkenher, Dr. Rebecca Sarlo

Committee Members Absent

Commissioner René Flowers

Guests Present

Allison Harrell

Russell Perkins

Staff Present

Jennifer Brackney, Steven Meier, Leah Geis

Public Comments – None

Action Items

Action Item 1 – Approval of Minutes

The minutes of April 29, 2021, Audit Committee Meeting were presented for approval.

Motion: David Fetkenher

Second: Barclay Harless

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

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.

Discussion: Russell Perkins provided his cell phone number in case anyone has any questions: 850-933-6340.

Motion: David Fetkenher
Second: Barclay Harless

The Audit Committee made a motion for approval of the enclosed WorkNet Pinellas, Inc. 401(k) Plan Financial Statements and Supplemental Schedule for the years ended December 31, 2020, and 2019. The motion carried unanimously. There was no further discussion.

Action Item 3 – Department of Economic Opportunity (DEO) – 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.

Discussion: None

Motion: David Fetkenher
Second: Barclay Harless

The Audit Committee made a motion for approval of the enclosed 2021-2022 Internal Control Questionnaire and Assessment. The motion carried unanimously. There was no further discussion.

Other Administrative Matters: There were no other administrative matters.

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.

Open Discussion – None

Adjournment

Dr. Rebecca Sarlo entertained a motion to adjourn the meeting. David Fetkenher made a motion, and Barclay Harless seconded the motion. The meeting was adjourned at approximately 11:27 am.