



February 22, 2023 - 11:00 A.M.
Hybrid Meeting - 13805 58th St. N.
Room 2-316
Clearwater, FL 33760

Zoom

*Join via Zoom – Meeting ID: 338 034 9468

[Zoom Link](#)

*Dial In via Phone – Meeting ID: 338 034 9468

Phone: +1 646-558-8656

Audit Committee Meeting Agenda

I. Welcome and Introductions Barclay Harless, Chair

II. Public Comment

Members of the public may raise their virtual hand during the Public Comment portion of the meeting. Members of the public who do so will be acknowledged by the Chair and provided up to three minutes to make public comment.

III. Roll Call

IV. Action/Discussion Items

1. Approval of minutes - October 26, 2022 Audit Committee Meeting Page 1
2. Approval of Audit of 6.30.23 Financial Statements Page 5
3. Approval of Annual 401K Audit Page 6

V. Information Items

1. Subrecipient Monitoring for Period July 2022 – June 2023..... Page 7

VI. Other Administrative Matters

(Items of urgency not meeting the seven-day guideline for review.)

VII. Open Discussion

VIII. Adjournment

Next Audit Committee Meeting – April 26, 2023 (11:00 am - 12:00pm)

**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 October 26, 2022, 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 Meeting Minutes**

Date: October 26, 2022 – 11:00am

Location: Hybrid Meeting

Call to Order

Committee Chair Barclay Harless called the meeting to order at 11:02am.

Committee Members in attendance

Barclay Harless, David Fetkenher, Scott Thomas

Committee Members not in attendance

Commissioner René Flowers, Dr. Rebecca Sarlo

Guests in attendance

Allison Harrell

Staff Present

Steven Meier, David Zirilli, Jay Burkey, Leah Geis

Public Comments – None

ACTION ITEM 1 – Approval of Minutes

The minutes of the October 26, 2022, Audit Committee Meeting were presented for approval.

Motion:	David Fetkenher
Second:	Scott Thomas

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

ACTION ITEM 2 – Approval of Annual 401K 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 an ERISA Section 103 (a)(3)(c) audit (previously “limited scope audit”) of the 2021 financial statements at its May 6, 2022, meeting and the Board of Directors followed up with their approval at the May 26, 2022, 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 (ERISA), the plan administrator instructed Thomas Howell Ferguson P.A. to perform an ERISA Section 103 (a)(3)(c) audit and thus, they did not perform any auditing procedures with respect to investment information which was prepared and certified by John Hancock. 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 2021 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 an ERISA Section 103 (a)(3)(c) audit, they did not express an opinion on the 2021 financial statements.

The attached financial statements along with the organization’s Form 5500, were scheduled to be filed with the IRS and Department of Labor by the October 15, 2022, deadline. However, due to Hurricane Ian, the filing deadline has been extended until February 15, 2023.

RECOMMENDATION

Approval of the enclosed WorkNet Pinellas, Inc. 401(k) Plan Financial Statements and Supplemental Schedule for the years ended December 31, 2021, and 2020.

Discussion: None.

Motion:	Scott Thomas
Second:	David Fetkenher

The Audit Committee made a motion to approve the enclosed WorkNet Pinellas, Inc. 401(k) Plan Financial Statements and Supplemental Schedule for the years ended December 31, 2021, and 2020. The motion carried unanimously. There was no further discussion.

ACTION ITEM 3 – Approval of Annual 401K Audit

INFORMATION

The Audit Committee approved Thomas Howell Ferguson P.A to perform the financial statement audit of the June 30, 2022, financial statements at its May 6, 2022, meeting and the Board followed up with their approval at the May 26, 2022, meeting.

The audit firm of Thomas Howell Ferguson P.A has completed the annual financial audit for WorkNet Pinellas, Inc. for the fiscal year ended June 30, 2022. Enclosed is a copy of the Financial Statements and the *Auditor’s Communications with Those Charged with Governance*.

RECOMMENDATION

Approval of the Annual Financial Audit for the fiscal year ended June 30, 2022.

Discussion: None

Motion:	Scott Thomas
Second:	David Fetkenher

The Audit Committee made a motion for approval of the Annual Financial Audit for the fiscal year ended June 30, 2022. The motion carried unanimously. There was no further discussion.

INFORMATION ITEM 1 – Subrecipient Monitoring for Period July 2021 – June 2022

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, 2021 – July 31, 2022
Contracted Amount - \$475,000

Findings

- Recommend PEF elect a de minimis rate of 10% for indirect cost allocation.
- Monitor proper distinction between direct and indirect costs.
- Ensure approved mileage charges are billed at the allowable rate per F.S. 112.061.
- Ensure signatures are obtained on all requests for payment acknowledging payment by PEF for tuition related costs.

- Requests for reimbursement should be made only for costs that are both incurred and paid and properly supported.
- Confirm prepaid card tracking/issuance log is up to date and correct.

Observations

- Ensure classification of cost on payment requests can be easily reconciled to supporting documentation.
- Ensure appropriate support service activity is open in EF to coincide with support services provided.
- Consider obtaining attestation from clients that prepaid cards are used as intended
- Monthly Youth Services Reports should be supported by client data and counts to substantiate the information presented

Dynamic Workforce Solutions (Report #2)

Period Reviewed – July 1, 2021 – June 30, 2022

Contracted Amount - \$40,000

Observations

- Recommendation to monitor and reconcile indirect cost rate and allocation.
- Recommendation to modify compliance reports to include each specific scope-of-work element detailed in the contract and to document progress for each contract deliverable.

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.

Other Administrative Matters - There were no other administrative matters.

Open Discussion – None.

Adjournment

Chair Barclay Harless adjourned the meeting at 11:41am.



ACTION ITEM 2

Audit of June 30, 2023, Financial Statements

Enclosed is the Audit Engagement Letter with Thomas Howell Ferguson P.A. for the audit of the June 30, 2023, financial statements. The Engagement Letter serves as an agreement regarding the audit work to be done relating to the financial statements for the year ended June 30, 2023.

Thomas Howell Ferguson P.A. will audit the financial statements of WorkNet Pinellas, Inc., which comprise the statement of financial position as of June 30, 2023, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

The fees for the audit and the preparation of the Form 990 will be \$26,350 which will include travel and other out-of-pocket costs.

This will be the third year of the contract for audit services. Per DEO's Audit and Audit Resolution Responsibilities, CareerSource Pinellas "must limit auditor retention to no more than five years."

RECOMMENDATION

Approval to enter into an agreement with Thomas Howell Ferguson P.A. to conduct a financial statement audit for the year ended June 30, 2023.



ACTION ITEM 3

Annual 401(k) Plan Audit

INFORMATION

401(k) Plan audits are required to have an audit if there are more than 100 eligible plan participants at the beginning of the plan year. At the beginning of 2022, there were 75 active participants. As of February 2023, there were 89 participants in the plan. Due to possible growth, the number of participants may exceed 100 participants again in the future. As a result, and for full transparency and fiduciary responsibility, staff is recommending that the WorkNet Pinellas, Inc. 401(k) Plan be audited for 2022.

Thomas Howell Ferguson P.A. in its third year as the organization's auditors, 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, 2022, 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, 2022.

For calendar year 2022 and similar to prior years. ERISA Section 103(a)(3)(C) allows for the audit not extend to any statements or information related to assets held for investment of the Plan by a bank or similar institutions that is regulated, supervised, and subject to periodic examination by a state or federal agency, The audit will not exceed \$7,875.

The annual audit is to be completed and filed along with the Form 5500 by October 15, 2023.

RECOMMENDATION

Approval for Thomas Howell Ferguson P.A. to commence an audit of the WorkNet Pinellas, Inc. 401(k) for 2022.



INFORMATION ITEM 1

Subrecipient Monitoring

For the Period July 1, 2022 – June 30, 2023

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). We contracted with Taylor Hall Miller Parker P.A. to conduct subrecipient monitoring on our behalf.

Dynamic Workforce Solutions (Report #3)

- There were no observations or findings.
- The report is attached for review and reference.

The subrecipient monitoring for Pinellas Education Foundation is not completed and the report will be included in the next Audit Committee meeting.

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.

CAREERSOURCE PINELLAS

PROGRAM YEAR 2022-2023

FINANCIAL & PROGRAMMATIC MONITORING
AS OF FEBRUARY 10, 2023

SUBRECIPIENT MONITORING REPORT

REPORT #3



Taylor | Hall | Miller | Parker | P.A.



Independent Accountants' Report
On Applying Agreed-Upon Procedures

To the Board of Directors and Management of CareerSource Pinellas:

We have performed the procedures enumerated below in the attached sections on the fiscal and programmatic records of CareerSource Pinellas (CareerSource) as of February 10, 2023, for the program year ending June 30, 2023. CareerSource's management is responsible for the fiscal and programmatic records.

CareerSource has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of conducting fiscal and programmatic monitoring. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

For reporting purposes, findings and observations are as follows:

Findings—These items reflect non-compliance with governing regulations, internal policies, or contractual requirements and may illustrate questionable costs and/or problematic deficiencies in internal controls. These items can also indicate ineffective or improper procedures, systems, and/or records maintenance.

Observations—These items may be proactive in nature and highlight specific situations where particular changes may enhance customer service and program outcomes, strengthen internal controls, or improve financial information and documentation.

The procedures and associated findings and observations are detailed in the following sections:

- I. Subrecipient Financial – The Kaiser Group (DE), LLC

We were engaged by CareerSource to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the fiscal and programmatic records of CareerSource. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of CareerSource and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

February 15, 2023

Taylor Hall Miller Parker, P.A.

I. Subrecipient Financial – The Kaiser Group (DE), LLC

Subrecipient Audit Review

1. We reviewed the following audit report submitted by CareerSource's subrecipients:

- The Kaiser Group (DE), LLC and Subsidiaries – December 31, 2021

There were no findings or observations identified as a result of applying the procedures above to the sample selected.

One-Stop Operator

1. We obtained a list of subrecipient payments for PY 2022-2023 and, based on this list, randomly selected the payment request submitted by The Kaiser Group (DE) LLC, dba Dynamic Workforce Solutions, as the One-Stop Operator for the month of December 2022 and performed the following:

- a. Confirmed the mathematical accuracy.
- b. Traced line-item costs to the subrecipient's general ledger.
- c. For a random sample of payroll disbursements, obtained the supporting detail by employee salary and related benefits to determine whether the costs were allowable and properly allocated, and whether payroll allocation percentages recalculated and traced to supporting documentation and PARs (Personnel Activity Reports).
- d. For a random sample of operating disbursements, determined whether the vendor invoice was present and supported by proof of payment (copies of checks), and the costs were allowable, properly allocated and classified, and traced to the general ledger.
- e. Determined whether costs were properly allocated in accordance with the subrecipient's cost allocation plan.
- f. Inspected the Summary of Work and Performance Reports submitted to determine if contract deliverables were addressed.
- g. Determined whether indirect costs were properly billed in accordance with the subrecipient's approved indirect rate.
- h. Determined if the profit billed was in accordance with the contract.
- i. Determined if the contract was posted on CareerSource's website.
- j. Determined if a risk assessment had been completed by CareerSource.

- k. Determined if a corrective action plan had been submitted for the prior year's monitoring conducted.
- l. Determined if the check issued to the subrecipient contained authorized signatures and endorsement agreed to payee or bank guaranteed lack of endorsement.
- m. Traced the payment request to CareerSource's general ledger.

There were no findings or observations identified as a result of applying the procedures above to the payment requests selected.