

**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 May 6, 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.