

**CareerSource Pinellas
Audit Committee Meeting Minutes**

Date: February 22, 2023 – 11:00am

Location: Hybrid Meeting

Call to Order

Committee Chair Barclay Harless called the meeting to order at 11:09am.

Committee Members in attendance

Barclay Harless, Commissioner René Flowers, Scott Thomas

Committee Members not in attendance

David Fetkenher

Staff Present

Steven Meier, David Zirilli, 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.

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| Motion: | Commissioner René Flowers |
| Second: | Scott Thomas |

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

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.

Discussion: None

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| Motion: | Scott Thomas |
| Second: | Commissioner René Flowers |

The Audit Committee made a motion for 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. The motion carried unanimously. There was no further discussion.

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.

Discussion: None

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| Motion: | Commissioner René Flowers |
| Second: | Scott Thomas |

The Audit Committee made a motion for approval for Thomas Howell Ferguson P.A. to commence an audit of the WorkNet Pinellas, Inc. 401(k) for 2022. The motion carried unanimously. There was no further discussion.

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.

***Subrecipient Monitoring Report was included in the meeting packet.**

Other Administrative Matters - There were no other administrative matters.

Open Discussion – None.

Adjournment - Chair Barclay Harless adjourned the meeting at 11:28am.