

CareerSource Pinellas Audit Committee Meeting Minutes

Date: August 23, 2023 – 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, Commissioner René Flowers, David Fetkenher

Committee Members not in attendance

Scott Thomas

Guests in attendance

Lorelle Chapman (Zoom) – Thomas, Howell, Ferguson

Staff Present

Steven Meier (in-person), David Zirilli (in-person), Leah Geis (in-person), Jason Druding (Zoom), Jay Burkey (Zoom), Lysandra Montijo (Zoom)

Public Comments – None

ACTION ITEM 1 – Approval of Minutes

The minutes of the February 22, 2023, Audit Committee Meeting were presented for approval.

Motion:	David Fetkenher
Second:	Commissioner René Flowers

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

ACTION ITEM 2 – Annual 401(k) Audit

The Board of Directors elected to have an annual audit of WorkNet Pinellas, Inc. 401k Plan performed 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 2022 financial statements at its February 22, 2023, meeting and the Board of Directors followed up with their approval at the March 15, 2023, meeting.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), the audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution). Thomas Howell Ferguson P.A. did perform audit procedures on employee eligibility, employer and employee contributions, employee loans, etc. Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with U.S. GAAP.

The financial statements that were included in the meeting packet, along with the organization's Form 5500, were filed with the IRS and Department of Labor by the deadline of October 15, 2023.

RECOMMENDATION

Approval of the WorkNet Pinellas, Inc. 401(k) Plan Financial Statements and Supplemental Schedule for the years ended December 31, 2022, and 2021.

Discussion: None

Motion:	David Fetkenher
Second:	Commissioner René Flowers

The Audit Committee made a motion for approval of the WorkNet Pinellas, Inc. 401(k) Plan Financial Statements and Supplemental Schedule, that were included in the meeting packet, for the years ended December 31, 2022, and 2021. 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) which was shared at the previous Audit Committee meeting.

Pinellas Education Foundation

Period Reviewed – As of February 24, 2023, for the program year ending June 30, 2023.
Contracted Amount - \$525,000

Findings

- A formal corrective action plan was not prepared and submitted to CareerSource Pinellas for review and approval.
- A certified cost allocation plan was not provided for inspection. This is a repeat comment. Recommend PEF elect a de minimis rate of 10% for indirect cost allocation.
- One employee’s time was charged to the project erroneously.
- Benefit costs not properly reduced for one employee.

Observations

- Monthly Youth Services Reports should be supported by client data and counts to substantiate the information presented. The participant lists did not indicate the total number of individuals earning a credential or measurable skills gain.

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 11:16am.