



North Central Texas Council of Governments

September 12, 2022

Ms. Karanae Spradlin
Curantis Group, LLC
3000 E. Belknap Street
Fort Worth, Tx 76111

Dear Ms. Spradlin:

The North Central Texas Council of Governments (NCTCOG) has completed an insurance & fidelity bonding review under contract FY23-TWC-01 with Curantis Group, LLC for the management of Child Care programs for Workforce Solutions for North Central Texas. The specific compliance areas reviewed included insurance and bonding requirements in accordance with §12 Bonding Requirements; §13 Insurance Requirements; and §16.9 Monitoring, Audits, and Evaluations of the contracts, and Financial Manual for Grants and Contracts Chapter 3 Insurance.

The attached report details the scope and summary of monitoring results of insurance and bonding requirements for the contract period August 1, 2022, through September 30, 2023. Based on performance of the Fiscal Integrity Insurance Review, NCTCOG identified no issues with the bond and insurance coverage. The documentation provided meets TWC guidelines and is determined to be acceptable. This review is closed upon issuance of this report.

We appreciate your cooperation in providing us with the necessary information to complete the review. If you have any questions, please contact Fatima Parsons at 817-704-5671.

Sincerely,

Phedra Redifer
Executive Director of Workforce Development

cc: North Central Texas Workforce Development Board
Carlton Tidwell, Chairman, Oversight and Accountability

cc: North Central Texas Council of Governments
Molly Rendon, Director of Administration
Randy Richardson, Assistant Director of Finance
Debra Kosarek, Sr. Program Manager - Compliance and Continuous Improvement
Equal Opportunity Officer/Section 504 Coordinator



Insurance & Fidelity Bond Review Report
for
Curantis Group, LLC
Contract FY23 -TWC-01

*Prepared by the
Fiscal Monitoring*
**North Central Texas Council of Governments
Workforce Solutions for North Central Texas**
September 12, 2022

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North Central Texas Council of Governments

Workforce Solutions for North Central Texas Insurance & Fidelity Bond Review Report Curantis Group, LLC - Contract FY23-TWC-01

Background

The North Central Texas Council of Governments contracts with Curantis Group, LLC to operate and Child Care programs and funding in all 14 counties for the North Central Texas Workforce Development Board as part of the Board's oversight responsibility.

All funding received from Texas Workforce Commission for the operation and management of these programs is subject to the requirements of TWC's Financial Management for Grants and Contracts for the accounting of these funds. NCTCOG Fiscal Monitoring completed a review under contract FY23 TWC-01, in accordance with Texas Administrative Code Title 40, Part 20, Chapter 802, Subchapter B Contracting, §802.21 Board Contracting Guidelines (b) Bonding, Insurance, and Other Methods of Securing Funds to Cover Losses, and with §12 Bonding Requirements, §13 Insurance Requirements, and §16.9 Monitoring, Audits, and Evaluations of the contracts with Curantis to ensure the integrity of the Child Care Systems. Workforce Boards are required to provide oversight of fiscal, operational, and program requirements in exercising due diligence.

Risk

NCTCOG conducted the review to address risks to ensure the following:

- resources were efficiently and effectively used for authorized purposes, and protected from waste, fraud, and abuse, and misstatement of financial statements, and
- expenses incurred were allowable, necessary, and reasonable when incurred.

Objective

The overall objective of NCTCOG's review was to strategically focus on fundamental components to ensure that systemic changes are occurring to prevent recurrence of findings, issues, or observations. NCTCOG reviews may include testing of internal controls, and substantive testing of details.

The focused objective of the review was to test the adequacy of Curantis Group, LLC insurance and bonding in accordance with contract requirements. These transactions and related payments were incurred in the normal course of business conducted on behalf of the NCTWDB.

NCTCOG did not test the implementation of internal controls in this review process nor was the primary intent of the review to test operating effectiveness. The examination of documents was neither meant to confirm, support, nor deny information obtained in other areas of the assessment. An expanded scope may have identified additional items that may or may not have been significant to the process and results.

Scope

Specific compliance areas reviewed included insurance and bonding requirements. The scope of the review included insurance and bonding transactions related to contract period August 1, 2022 – September 30, 2023. We focused on confirmation of insurance coverage in force at contract inception.

Methodology

NCTCOG's review of insurance and bonding transactions includes:

- examination of insurance and bonding certificates.
- examination of the invoices, wire transfer documentation, insurance premium payment schedule, and bank transaction reports. However, for this review, the payment for the insurance and bonding is pending written confirmation from the subrecipient.

Summary of Results

Based on performance of the Fiscal Integrity Insurance Review, NCTCOG identified no issues with the bond and insurance coverage for the contract period August 1, 2022, through September 30, 2023. The documentation provided meets TWC guidelines and is determined to be acceptable.

Conclusion

Of the items reviewed and our subsequent discussions with management, there appear to be no findings that would contribute to a material weakness or significant deficiency in fiscal internal controls. This review is closed upon issuance of this report.

Appendix A

Acronyms

NCTCOG	North Central Texas Council of Governments
NCTWDB	North Central Texas Workforce Development Board
TWC	Texas Workforce Commission