



## North Central Texas Council of Governments

December 11, 2023

Mr. Elven Simmons  
Project Director  
Equus Workforce Solutions  
624 Six Flags Drive, Suite 245  
Arlington, TX 76011

Dear Mr. Simmons:

The North Central Texas Council of Governments has completed a Purchasing and Procurement Review covering the period February 2023, for Fiscal Year 2024 under contract FY24-TWC-02 with APM Equus Holdings Corporation (Equus) for the management of Workforce programs for Workforce Solutions for North Central Texas. The specific fiscal compliance areas reviewed included purchasing and procurement along with related policies and procedures in accordance with §16.10 Monitoring, Audits, and Evaluations of the contract.

The attached report details the scope and summary of monitoring results of purchasing and procurement selected during the period of February 2023. Equus management provided timely responses and supporting documentation as requested for the required corrective items. Of the items reviewed and the subsequent discussions with management, no findings were identified that would rise to the level of a reportable condition, significant deficiency, or material weakness in fiscal internal controls. This review is finalized upon issuance of this report.

We appreciate your cooperation in providing staff 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

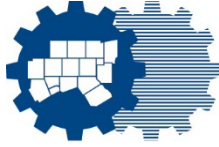
cc: **Equus Workforce Solutions**  
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**North Central Texas Workforce Development Board**  
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**North Central Texas Council of Governments**

***FY2024 APM Equus Purchasing & Procurement Review  
Report***

for

APM Equus Holdings Corporation  
Contract FY24 -TWC-02

*Prepared by the*

**North Central Texas Council of Governments  
Workforce Solutions for North Central Texas**

December 11, 2023

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**North Central Texas Council of Governments**  
**Workforce Solutions for North Central Texas**  
***FY2024 Purchasing & Procurement Review Report***  
**APM Equus Holdings Corporation - Contract FY24-TWC-02**

### **Background**

The North Central Texas Council of Governments (NCTCOG) contracts with APM Equus Holdings Corporation (Equus) to operate and manage the Workforce Innovation and Opportunity Act, and Trade Adjustment Act programs and funding in all 14 counties for the North Central Texas Workforce Development Board as part of the oversight responsibility.

All funding received from the Texas Workforce Commission (TWC) for the operation and management of these programs is subject to the requirements of TWC's Financial Manual for Grants and Contracts for the accounting of these funds. In accordance with §16.10 Monitoring, Audits, and Evaluations of contract FY24-TWC-02 and with Texas Administrative Code Title 40, Part 20, Chapter 802, Subchapter B §802.21 Board Contracting Guidelines, Subchapter D §802.64, 2 CFR 200.332, FMGC Chapter 14: Procurement, NCTCOG completed a Purchasing & Procurement Review to monitor the integrity of the Workforce System. NCTCOG is required to provide oversight of fiscal, operational, and program requirements in exercising ongoing due diligence.

### **Risk**

NCTCOG conducted the review to consider risks in the oversight relating to the following:

- requirements imposed by Federal laws and regulations, provisions of contracts or grant agreements, and any supplemental requirements imposed by the pass-through entity were followed,
- 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 at the time of the expense.

### **Objective**

NCTCOG's monitoring and review process is focused on reviewing and testing strategic components of the processes to identify and present findings and issues for correction and improvement. As part of the review process, NCTCOG may perform a variety of procedures including the testing of internal controls and substantive testing of details as appropriate.

The focused objective of the review was to test the sample of purchasing & procurement transactions for occurrence, completeness, accuracy, authorization, classification, and rights and obligations. The selected payments were incurred in the normal course of business conducted on behalf of the NCTCOG and in accordance with Texas Grant Management Standards (TxGMS), section on Procurement Contracts, and subsection, General Procurement Standards.

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 results. An expanded scope may have identified additional items that may or may not have been significant to the process and results.

### **Scope**

The scope of the review included purchasing & procurement transactions from a sample of nine transactions selected from the period February 2023. Specific compliance areas reviewed included

purchasing & procurement transactions and associated program eligibility along with related policies and procedures as well as federal or state guidance.

### Methodology

NCTCOG's review of purchasing & procurement transactions included:

- review for Equus' purchasing and procurement policies and procedures to determine adequate procedures and controls were in place.
- determination that costs charged were reasonable and necessary for the proper and efficient performance and administration of the grant(s).
- determination that the expenditure was adequately documented to support the cost in its entirety and demonstrate an adequate audit trail exists.
- determination that the Cost Allocation Plan was followed to verify expenditures are allocated to benefit program(s)
- determine that cost is allowable by the grant/contract, Federal and State rules, and regulations.
- review vendor procurement documentation checklist to verify documents comply with Federal and State regulations.

### Summary of Results

Based upon review of the sample of purchasing and procurement transactions from the period February 2023, appears to have occurred, was complete, accurate, properly authorized and classified, and the resulting liabilities were obligations of Equus.

Equus management provided timely responses and supporting documentation as requested for the required corrective items. The purchasing & procurement transactions were determined to be allowable based on review of documentation of participant eligibility, participation, and need.

Below is the summary of attributes reviewed for the sample of nine transactions tested.

Attributes Reviewed	Number of Transactions Reviewed	Observations Noted	Total Transactions Reviewed
Reasonable and Necessary	9	-	9
Adequately Documented	9	-	9
Allocated Correctly	9	-	9
Allowable	9		9
Properly Classified and Recorded	9	-	9
Micro-Purchase: Appropriate Basis for Award	5	-	5
Small Purchase: Appropriate Basis for Award	1	-	1
Vendor procurement/documentation file checklist	12	3	12
Total	63	3	63

For the fiscal attributes tested, Equus cleared the observations pertaining to the attributes before the report issuance.

### **Conclusion:**

Equus management provided timely responses and supporting documentation as requested for the required corrective items. Of the items reviewed and the subsequent discussions with management, no findings were identified that would rise to the level of a reportable condition, significant deficiency, or material weakness in fiscal internal controls. This review is finalized upon issuance of this report. NCTCOG appreciates the cooperation and assistance received by Equus employees during the execution of the contract.

## Appendix A

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### Acronyms

FMGC	Federal Manual of Grants and Contracts
NCTCOG	North Central Texas Council of Governments
NCTWDB	North Central Texas Workforce Development Board
TWC	Texas Workforce Commission

### SharePoint URL

<https://connect.nctcog.org/extranet/AA/ResCare> > Purchasing & Procurement > 2024