



North Central Texas Council of Governments

June 28, 2022

Ms. Juanita Budd
Project Director
Equus Workforce Solutions
624 Six Flags Drive, Suite 245
Arlington, TX 76011

Dear Ms. Budd:

The North Central Texas Council of Governments has completed a Training Providers Payments (Review) covering the period March 2023, for Fiscal Year 2023 under contract FY22-TWC-02 with Equus Workforce Solutions for the management of Workforce programs for Workforce Solutions for North Central Texas. The specific fiscal compliance areas reviewed included travel payments 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 training provider payments and accruals selected during the period March 2023. Equus management provided timely responses and supporting documentation as requested for the required corrective items. Of the items reviewed and our 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 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: **APM Equus Holding Corporation**
Cherisa Price-Wells, Regional Director

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

North Central Texas Council of Governments
Molly Rendon, Director of Administration,
Randy Richardson, Assistant Director of Finance
Debra Kosarek, Sr. Workforce Program Manager – Compliance and Continuous,
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***FY2023 APM Equus Training Provider Payments &
Accruals Review Report***

for

APM Equus Holding Corporation
Contract FY23 -TWC-02

Prepared by the

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

June 28, 2023



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North Central Texas Council of Governments

Workforce Solutions for North Central Texas Training Provider Payments & Accruals Review Report APM Equus Holding Corporation - Contract FY23-TWC-02

Background

The North Central Texas Council of Governments (NCTCOG) contracts with APM Equus Holding Corporation (Equus) to operate and manage Workforce Innovation and Opportunity Act programs and funding, Trade Adjustment Act, 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 FY23-TWC-02 and with Texas Administrative Code Title 40, Part 20, Chapter 802, Subchapter B §802.21 Board Contracting Guidelines, and Subchapter D §802.64, 2 CFR §200.332, NCTCOG completed a Training Provider Payments & Accruals Review (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 Board's 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 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 training provider payments 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 Version 1.1, section on Standard Financial Management Conditions, and subsections Financial Management and Internal Control.

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 a sample of 24 training provider payments and accruals transactions

selected for the period March 2023. Specific compliance areas reviewed included payments and associated program eligibility along with related policies and procedures as well as federal or state guidance.

Methodology

NCTCOG's review of the training provider payments & accruals included:

- examination of Individual Training Account (ITA) invoice packets in NCTCOG's SharePoint and supporting documentation for payments issued to training providers,
- tracking of payments to Payment Records Report generated from Equus Workforce Solutions WORCS and to the Equus ITA Accrual Report, and
- verification of the accuracy, reasonableness, and allowability of the activity for the sample tested against the contract and other relevant standards using the Equus Payment Files, NCTCOG Training Provider Payments Check Register, invoices, ITA vouchers, Equus WORCS documentation, NCTCOG general ledger, data analytics, and The Workforce Information System of Texas (TWIST) reports.
- review of allowability of the payments against participant eligibility and participation contemporaneous to the time the expense was incurred. This review was conducted using information from TWIST to ensure compliance with Federal, State, and NCTCOG programmatic regulations, rules, and policies.

Summary of Results

Based upon review of the supporting documentation provided, the sample of Training Provider Payments & Accruals for the period March 2023 appears to have occurred, was complete, accurate, properly authorized and classified, noting that the resulting liabilities were obligations of Equus.

Below is the summary of elements tested for the fiscal review:

Category	Elements	Exceptions Noted	Observations Noted	Total Reviewed
Eligibility	Regulatory requirements in the areas of program eligibility and participation	-	-	93
Verification	Transaction Components	-	-	155
Authorization	Charges approved	-	-	48
Completeness and Accuracy	Invoice Paid timely	21	-	86
	Invoice Description matches	-	-	
	Payment file	-	-	
	Dept Fund Code	-	-	
	Contractor listed in ETPL	-	-	
	Accruals Properly recorded	-	-	192
FMGC Components	Necessary and Reasonable	-	-	120
	Adequately documented	-	-	
	Allocation amounts correct	-	-	
	Allowable Expense	-	-	
	Properly Recorded in WORCS	-	-	
Total	--	--	--	694

For the fiscal elements tested for completeness and accuracy, 21 of 24 invoices were untimely processed for payments.

Equus Response: Invoices are not complete (and can't be paid) until full documentation is received from the vendor. Going forward, Equus will add another date at the bottom of each invoice indicating a date for "Full Documentation Received:" Once full documentation is received from the vendor we will process the invoice within the allotted time frame.

Compliance Continuous Improvement/Quality Assurance Testing Results:

All twenty-four files in the sample were reviewed for Workforce program elements related to eligibility and participation. Zero errors were found in ninety-three applicable elements.

Conclusion

Of the items reviewed and 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 closed upon issuance of this report. NCTCOG appreciates the cooperation and assistance received by APM Equus employees during the execution of the contract.

Appendix A

Acronyms

2 CFR 200	Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Grants
Equus	APM Equus Holding Corporation
ETPL	Eligible Training Provider List
FM	Fiscal Monitoring
FMGC	Federal Manual for Grants & Contracts
ITA	Individual Training Account
NCTCOG	North Central Texas Council of Governments
TWC	Texas Workforce Commission
TWIST	The Workforce Information System of Texas
WF	Workforce
WORCS	Equus Workforce Solutions – Disbursements software

SharePoint URL

<https://connect.nctcoq.org/extranet/AA/Rescare> > Training Payments > FY 2023