



North Central Texas Council Of Governments

November 20, 2019

Ms. Moneisa Downs
Project Director
Workforce Solutions of North Central Texas
624 Six Flags Drive, Suite 245
Arlington, TX 76011

Dear Ms. Downs:

The North Central Texas Council of Governments (NCTCOG) completed a desk review under Contracts FY20-TWC-01 and FY20-TWC-02 with ResCare Workforce Services for the management of Workforce and 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 October 1, 2019 through September 30, 2020. 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 considered to be 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 Debra Pirtle at 817-704-5622.

Sincerely,

David K. Setzer, CPSM, C.P.M., CWE
Director of Workforce Development

cc: **ResCare Workforce Services**
Lisa Boyd, Regional Director

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



Insurance Review Monitoring Report
for
ResCare Workforce Services
Contract FY20-TWC-01 and FY20-TWC-02
November 20, 2019

Prepared by the
Risk and Compliance Division
North Central Texas Council of Governments
Workforce Solutions for North Central Texas

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North Central Texas Council of Governments

Workforce Solutions for North Central Texas *Insurance Review Monitoring Report* ResCare Workforce Services - Contracts FY20-TWC-01 and FY20-TWC-02

Background

The North Central Texas Council of Governments contracts with ResCare Workforce Services to operate and manage the Workforce Innovation and Opportunity Act, Trade Adjustment Act, 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 Risk and Compliance completed a review under Contracts FY20 -TWC-01 and FY20 -TWC-02, in accordance with the 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 ResCare to ensure the integrity of the Workforce and 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 in order 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 ResCare 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 October 1, 2019 – September 30, 2020. We focused on confirmation of insurance coverage in force at contract inception.

Methodology

NCTCOG's review of insurance and bonding transactions included:

- examination of insurance and bonding certificates.
- examination of the invoice, wire transfer documentation, and bank statement for premium payments.
- verification of Workforce Center locations to insurance documentation.

Summary of Results

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.

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 considered to be 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
ResCare	ResCare Workforce Services

Definitions

Risk

The "Risk" column represents some of the possible risks that could occur based on the finding. The listed "Risk" items may or may not be occurring in the process in the past, present, or the future and can be defined as follows:

- ***Low***- The exception(s) noted are considered minor individually and when aggregated with other findings as it relates to potential for financial, compliance or operational consequences to the Subrecipient may elevate to increased risk.
- ***Medium***- The exception(s) noted, although they may not have significant financial, compliance or operational consequences, exposes the Subrecipient to increased risk.
- ***High***- The exception(s) noted could have a significant financial, compliance or operational consequence to the Subrecipient and expose the Subrecipient to increase risk and potentially jeopardize future funding.