



North Central Texas Council of Governments

To: David Setzer, Debra Kosarek, Randy Richardson
CC: Molly Rendon
From: Debra Pirtle
Date: January 26, 2021
Subject: NCTWDB Property Accountability and Safeguarding Review

The North Central Texas Council of Governments (NCTCOG) Risk and Compliance Division completed a North Central Texas Workforce Development Board Expenditures (NCTWDB) Property Accountability and Safeguarding Review in accordance with WFD FY2021 Monitoring Plan, FY21 Rotational Workplan Methodology, and Texas Administrative Code Title 40, Part 20, Chapter 802, Subchapter D §802.64 Fiscal Monitoring Activities.

The objective of the review was to strategically focus on fundamental components to ensure that systems in place were functioning properly and to address risks to ensure:

- 1) 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,
- 2) resources were efficiently and effectively used for authorized purposes; protected from waste, fraud, and abuse, and misstatement of financial statements; and
- 3) expenses incurred were allowable, necessary, and reasonable at the time the expense was incurred. Specific compliance areas reviewed included Workforce Development Board policies and related procedures.

The focused objective of the review was to test a sample of assets for occurrence, completeness, accuracy, authorization, classification, and rights and obligations and to determine whether Workforce FY2020 asset purchases, depreciation and disposals were recorded correctly. The scope of the review included testing a total of nine inventory items from the WFD Board Inventory List of Assets purchased greater than \$5,000 during FY 2020.

The review of WFD expenditures included the following:

- traced sample of inventory items to physical location.
- verification of equipment properly tagged and recorded in the general ledger, and supporting documentation
- confirmed timely submission of Forms 7100 & 7200 to TWC
- recalculated and confirmed accurate depreciation expense recording in NCTCOG General Ledger
- verification of disposition of assets, timely submission of Form 7300 and accuracy of documentation in inventory report

Based upon review of the documentation provided; there appear to be no findings that would contribute to a material weakness in fiscal internal controls, and all expenditures appear to have occurred, were complete, accurate, properly authorized and classified. This review is considered to be closed. NCTCOG appreciates the cooperation and assistance received by NCTWDB employees during the execution of the review.

Appendix A

Below is the summary of elements reviewed.

Elements Reviewed	Number of Elements Reviewed	Concerns noted
Assets traced from inventory sheet to physical location	9	-
Assets properly tagged	9	-
Form 7100 (Request for Purchase) submitted timely	9	-
Form 7200 (Notification Property Acquisition) submitted timely	9	-
Recorded in WFD Board's list	9	-
Supporting documentation exists	9	-
Assets recorded in general ledger	9	-
Depreciation correctly calculated	15	-
Asset disposition reviewed	18	-
Total	105	-