



North Central Texas Council of Governments

June 7, 2021

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 completed a Travel Payments Review under contract FY21-TWC-02 with Equus Workforce Solutions for the provision of Workforce Services for Workforce Solutions for North Central Texas. The specific compliance areas reviewed included travel disbursements along with related policies in accordance with §16.9 Monitoring, Audits, and Evaluations of the contract.

The attached report details the scope and summary of monitoring results of FY2021 Equus Travel Payments Review selected from the months October, November, and December 2020. For the two observations identified in the report, Equus management provided documentation and timely response to the required corrective actions. Of the items reviewed and our subsequent discussions with management, there appear to be no findings that would contribute to a material weakness in fiscal internal controls. 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: **Equus Workforce Solutions**
Moneisa Downs, 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



Travel Payments Review Report
for
Equus Workforce Solutions
Contract FY21-TWC-02

Prepared by the
Risk and Compliance Division
North Central Texas Council of Governments
Workforce Solutions for North Central Texas
June 7, 2021

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North Central Texas Council of Governments
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Background

The North Central Texas Council of Governments contracts with Equus Workforce Solutions to operate and manage 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. In accordance with §16.9 Monitoring, Audits, and Evaluations of Equus contract FY21-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 Risk and Compliance Division completed a Travel Payments Review to ensure the integrity of the Workforce System. 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:

- 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.

Objective

The overall objective of the Travel Payments 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, use of data analytics, and substantive testing of details.

The focused objective of the review was to test the sample of travel disbursements for occurrence, completeness, accuracy, authorization, classification, and rights and obligations. These disbursements were incurred in the normal course of business conducted on behalf of the NCTWDB, and in accordance with UGMS Part III Subpart C §20 (b) (1) (2) (3).

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 travel disbursements along with related policies and procedures. Due to the reduced travel because of COVID-19, the scope of the review included a sample of 18 travel transactions selected from the first quarter, including the months of October, November, and December 2020.

Methodology

NCTCOG's review of travel disbursements included:

- examination of payments/reimbursements, the general ledger, proof of payment, JP Morgan statements, supporting documentation, and phone listing for employee travel expenses.
- verification that the transactions were accounted for in the general ledger individually and in aggregate.
- verification of the accuracy, reasonableness, and allowability of the activity for the sample tested against the contracts and other relevant standards using the general ledger and other supporting documentation.

Summary of Results

Based upon review of the supporting documentation provided, the sample of employee travel payments from the months of October, November, and December 2020 appears to have occurred, was complete, accurate, properly authorized and classified, and the resulting liabilities were obligations of Equus.

Category	Elements	Observations Noted	Total Reviewed
Verification	Transaction Components: Invoice description, amount, employee expense report signed/submitted date, location	-	123
Authorization	Date Expense Report /Travel Authorization approved; Charge approved by the appropriate Individual	1	35
Completeness and Accuracy	Date of Payment timely	-	178
	Check #Paycheck eVoucher/ACH - AmEx#	-	
	Check /Pay Date	-	
	Employee Reimbursement/ P-Card Statement Transaction Amount	-	
	Proof of Payment Adequate	-	
	Employee Title	-	
	Employee Equus/TWC /Other	-	
FMGC Components	WF Center	-	126
	Necessary and Reasonable expense, date	-	
	Supporting documentation - travel, expense report, employee expense report, mileage report, P-card statement, proof of payment	-	
	Allocated correctly – Dept/ fund source	-	
	Allowable expense	-	
Total	Properly Classified and Recorded in GL	1	462
	--	2	

For fiscal elements tested, two related observations were noted. The approval was missing on an employee expense report as required by Equus & BrightSpring Health Services Travel Policy Approval, 45.3 Policy and a voucher was incorrectly coded. However, the voucher was approved in the AP system before it was paid and the miscoding corrected. Equus cleared the observations pertaining to the elements before report issuance.

Conclusion

Of the items reviewed, there appear to be no findings that would contribute to a material weakness in fiscal internal controls. This review is considered to be closed upon issuance of this report. NCTCOG appreciates the cooperation and assistance received by Equus employees during the execution of the contract.

Appendix A

Acronyms

NCTCOG	North Central Texas Council of Governments
NCTWDB	North Central Texas Workforce Development Board
Equus	Equus Workforce Solutions
TWC	Texas Workforce Commission
UGMS	Uniform Grant Management Standards
WF	Workforce

SharePoint URL

<https://connect.nctcog.org/extranet/AA/Rescare>Travel>FY2021>