



**North Central Texas Council of Governments**

March 18, 2024

Ms. Kara Waddell  
President, Chief Operating Officer  
Curantis Group, LLC  
3000 E. Belknap Street  
Fort Worth, TX 76111

Dear Ms. Waddell:

The North Central Texas Council of Governments has completed a Payroll Review covering a bi-weekly pay period within Fiscal Year 2024 under contracts FY24-TWC-01 with Curantis Group, LLC for the management of child care services program for Workforce Solutions for North Central Texas. The specific compliance areas reviewed included payroll and payroll 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 the payroll disbursement items selected from Curantis Group, LLC; bi-weekly pay period ended December 15, 2023. 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. No errors were found in the recalculation of the Share Services Agreement billing for December 2023. This review is finalized 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: **Curantis Group, LLC**  
Ms. Karanae Spradlin, Chief Financial Officer  
Ms. Candy Lord, Senior Controller

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

**North Central Texas Council of Governments**  
Randy Richardson, Director of Administration  
Debra Reyna, Continuous Improvement Manager



***FY2024 Curantis Payroll Review Report***

for

**Curantis Group, LLC**

**Contract FY24 -TWC-01**

*Prepared by the*

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

**March 18, 2024**

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## **North Central Texas Council of Governments**

### **Workforce Solutions for North Central Texas FY2024 Curantis Payroll Review Report Curantis Group, LLC - Contract FY24 -TWC-01**

#### **Background**

The North Central Texas Council of Governments (NCTCOG) contracts with Curantis Group, LLC to operate and manage the Child Care Services programs in all 14 counties for the North Central Texas Workforce Development Board as part of the Board's oversight responsibility.

All funding received from the Texas Workforce Commission (TWC) for the management and operation of the programs is subject to the requirements of TWC's Financial Manual for Grants and Contracts for the accounting of these funds. In accordance with §9.6.1 Share Services Agreement & §16.9 Monitoring, Audits, and Evaluations of contract FY24-TWC-01 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, NCTCOG completed a Payroll 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 the processes to identify and present findings and issues for correction and improvement. As part of our 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 payroll disbursements for occurrence, completeness, accuracy, authorization, classification, and rights and obligations. The selected payroll disbursements 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 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. 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 payroll disbursements related to sample of 25 employees selected from the bi-weekly pay period ended December 15, 2023. Specific compliance areas reviewed included payroll transactions, payroll policies, and payroll procedures as well as applicable federal or state guidance.

## Methodology

NCTCOG's review of payroll disbursements included:

- examination of payroll registers and supporting documentation for operations, child care quality, and industry support employees.
- verification of the accuracy, reasonableness, and allowability of the activity against the contracts and other relevant standards including employee timesheets, payroll registers, compensation based on pay rates and hours worked, personnel action forms, general ledger reports, timesheet approval reports, employee listing, allocation entries, and Micriox information.
- recalculation of the accuracy of payments per the shared services agreement based on the provisional indirect cost rate utilized for Child Care Associates (CCA) and allocations to the general ledger.

## Summary of Results

Below is the summary of categories reviewed for the sample of 25 employees tested.

Category	Elements	Total Reviewed
Verification	Pay Components: Gross, Regular, Overtime, Other, Misc. Income, PTO, Variances	175
Authorization	Timesheet, PAF, Overtime, PTO	100
Completeness and Accuracy	Hours per Timesheet to Payroll Distribution	218
	Processed in Proper Period	
	Payroll Distribution agrees to PAF	
	Variance between Payroll Distribution & PAF	
	Pay tracks from Payroll Distribution to General Ledger	
	Shared Services Agreement Rate	
FMGC Components	Reasonable and Necessary	125
	Adequately Documented	
	Allowable	
	Allocation Accurate	
	Properly Classified and Recorded	
<b>Total</b>	--	<b>618</b>

Based upon review of the supporting documentation provided, the sample of 25 employees from the bi-weekly pay period of December 15, 2023, appears to have occurred, appears to be complete, appears to be accurate, appears to be properly authorized and classified, and the resulting liabilities are obligations of Curantis.

## Share Services Agreement

Per the contract, Curantis Group LLC shall bill NCTCOG for shared services provided to Curantis by Child Care Associates (Curantis' parent company) utilizing the rate identified in the Share Services Agreement (SSA) between the two entities. CCA's provisional indirect cost rate of 13.6% is applicable to salaries and fringe benefits for Curantis' operations, child care quality, and industry support. Fiscal Monitoring recalculated the expenses at the provisional indirect cost rate and found no errors in the billing for December 2023.

## Conclusion

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. No errors were found in the recalculation of the Share Services Agreement billing for December 2023. This review is finalized upon issuance of this report. NCTCOG appreciates the cooperation and assistance received from Curantis management in providing us with the necessary information to complete the Review.

## Appendix A

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### Acronyms

CCA	Child Care Associates
CFR	Code of Federal Regulations
Curantis	Curantis Group, LLC
FM	Fiscal Monitoring
FMGC	Financial Manual for Grants & Contracts
Micriox	Curantis Timekeeping system
NCTWDB	North Central Texas Workforce Development Board
PTO	Paid Time Off
PAF	Personnel Action Form
SSA	Share Services Agreement
WF	Workforce

### SharePoint URL

[https://connect.nctcog.org/extranet/AA/WD-Curantis Projects](https://connect.nctcog.org/extranet/AA/WD-Curantis%20Projects) > Payroll > FY 2024 folder