



North Central Texas Council of Governments

July 28, 2023

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 Support Services Review covering the period April 2023, for Fiscal Year 2023 under contract FY23-TWC-02 with APM Equus Holdings Corporation (Equus) for the management of Workforce programs for Workforce Solutions for North Central Texas. The specific fiscal compliance areas reviewed included support services 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 support services payments selected during the period of April 2023. Equus management provided timely responses and supporting documentation as requested for the required corrective items. 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. This review is finalized upon issuance of this report.

We appreciate your cooperation in providing staff with the necessary information to complete the review. If you have any questions, please contact Fatima Parsons at 817-704-5671.

Sincerely,

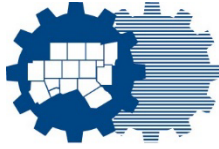
Phedra Redifer
Executive Director of Workforce Development

cc: **Equus Workforce Solutions**
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,
Improvement Equal Opportunity Officer/Section 504 Coordinator

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North Central Texas Council of Governments

FY2023 APM Equus Support Services Review Report
for
APM Equus Holdings Corporation
Contract FY23 -TWC-02

Prepared by the
North Central Texas Council of Governments
Workforce Solutions for North Central Texas
July 28, 2023

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North Central Texas Council of Governments
Workforce Solutions for North Central Texas
FY2023 Support Services Review Report
APM Equus Holding Corporation - Contract FY23-TWC-02

Background

The North Central Texas Council of Governments (NCTCOG) contracts with APM Equus Holdings Corporation (Equus) to operate and manage the Workforce Innovation and Opportunity Act, and Trade Adjustment Act programs 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, Subchapter D §802.64, 2 CFR 200.332, NCTCOG completed a Support Services 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 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 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 support services 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 (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 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 support services payments from a sample of 32 transactions selected from the period April 2023. Specific compliance areas reviewed included support services payments and associated program eligibility along with related policies and procedures as well as federal or state

guidance.

Methodology

NCTCOG's review of support service disbursements included:

- examination of the US Bank transaction report for payments, general ledger detail, proof of payment, and supporting documentation.
- verification that the transactions were accounted for in the general ledger individually and in aggregate, and
- verification of the accuracy, reasonableness, and allowability of the activity for the sample tested against the contract and other relevant standards using the general ledger reports, receipts, invoices, Equus WORCS, and other supporting documentation.
- Review of participant eligibility, participation, and need, contemporaneous to the time the expense was incurred to ascertain the allowability of the payments. This Review was conducted using information from TWIST to ensure compliance with Federal, State, and programmatic regulations, rules, and policies.
- Adherence to data integrity\data validation standards.

Summary of Results

Based upon review of the supporting documentation provided, the sample of support services payment transactions from the period April 2023, appears to have occurred, was complete, accurate, properly authorized and classified, and the resulting liabilities were obligations of Equus. Equus management provided timely responses and supporting documentation as requested for the required corrective items. The support services provided to the 32 participants were determined to be allowable based on review of documentation of participant eligibility, participation, and need.

Below is the summary of elements reviewed for the sample of 32 transactions tested.

Category	Elements	Observations noted	Total Reviewed
Eligibility	Regulatory requirements in the areas of program eligibility and participation	-	92
Verification	Transaction Components: description, location, SSRF/TRAF approval date	-	96
Authorization	Charges approved by CM/PM/OM/TDL	-	32
Completeness and Accuracy	Invoice Payment timely	-	256
	Invoice Amount correct	-	
	SSRF/TRARF Amount	-	
	General Ledger Amount	-	
	TWIST ID	-	
	SSRF/TRARF Funding Source	-	
	Funding source match SSRF/TRARF/WORCS & GL	-	
	Proof of payment	-	
FMGC Components	Necessary and Reasonable expense	-	160
	Supporting documentation exists	-	
	Correctly allocated	-	
	Allowable expense	-	
	Properly Classified and Recorded in GL	-	
	Micro-purchase: Appropriate basis for award<\$3,000	-	
Total	--		636

For CCI/ Quality Assurance testing:

Thirty-two (32) files were reviewed for the Workforce Programs, the sample included cases for Choices, SNAP, and WIOA Adult, Dislocated Worker, and Youth. Seven (7) errors were identified in ninety- two (92) applicable elements. The errors consisted of missing support documents in customer files, one of which also resulted in a WIOA eligibility error. All errors were corrected prior to the release of this report.

Conclusion:

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 finalized upon issuance of this report. NCTCOG appreciates the cooperation and assistance received by Equus employees during the execution of the contract

Appendix A

Acronyms

GL	General Ledger
NCTCOG	North Central Texas Council of Governments
SSRF	Support Services Request Form
TRARF	Transportation Assistance Request Form
TWC	Texas Workforce Commission
WORCS	Equus Disbursements Software
CCI\QA	Compliance & Continuous Improvement\Quality Assurance
CM/PM/OM	Center Manager/Program Director/Operations Manager/Talent
/TDL	Development Lead

SharePoint URL

<https://connect.nctcog.org/extranet/AA/ResCare> > Support Services > April 2023