



North Central Texas Council of Governments

May 10, 2022

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 (Review) covering the period October 15 – November 15, 2021, for Fiscal Year 2022 under contract FY22-TWC-02 with Equus Workforce Solutions 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 §16.9 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 October 15 to November 15, 2021. Equus management provided timely responses and supporting documentation as requested for the required corrective items. 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 closed upon issuance of this report.

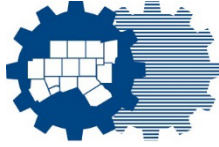
We appreciate your cooperation in providing us with the necessary information to complete the review. If you have any questions, please contact Fatima Parsons at 817-704-5671.

Sincerely,

Phedra Redifer
Executive Director of Workforce Development

cc: Moneisa Downs, Regional Director
Equus Workforce Solutions
Carlton Tidwell, Chairman, Oversight and Accountability
North Central Texas Workforce Development Board
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

FY2022 Equus Support Services Review Report
for
Equus Workforce Solutions
Contract FY22 -TWC-02

Prepared by the
North Central Texas Council of Governments
Workforce Solutions for North Central Texas
May 10, 2022

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North Central Texas Council of Governments
Workforce Solutions for North Central Texas
FY2022 Equus Support Services Review Report
Equus Workforce Solutions - Contract FY22-TWC-02

Background

The North Central Texas Council of Governments (NCTCOG) contracts with Equus Workforce Solutions 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 (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 §16.10 Monitoring, Audits, and Evaluations of contract FY22-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 (Review) to monitor the integrity of the Workforce System subject to the Review's selections. The Board 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 the expense was incurred.

Objective

NCTCOG's monitoring and review process is focused on reviewing and testing strategic components of the processes within the Board's oversight 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 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 NCTWDB 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 support services payments from a sample of 37 transactions

selected from the period October 15 - November 15, 2021. 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 NCTWDB 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 37 support services payment transactions from the period October 15 - November 15, 2021, appears to have occurred, appears to be complete, appears to be accurate, appears to be properly authorized and classified, and the resulting liabilities appears to be obligations of Equus. Equus' management provided timely responses and supporting documentation as requested for the required corrective items. The support services provided to the 37 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 37 transactions tested.

Category	Elements	Observations noted	Total Reviewed
Eligibility	Regulatory requirements in the areas of program eligibility and participation	-	111
Verification	Transaction Components: description, location, SSRF/TRARF approval date	-	111
Authorization	Charges approved by CD/PM/OM	19	37
Completeness and Accuracy	Invoice Payment timely	1	296
	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	-	187
	Supporting documentation exists	-	
	Correctly allocated	-	
	Allowable expense	-	
	Properly Classified and Recorded in GL	-	
	Micro-purchase: Appropriate basis for award<\$3,000	-	
Total	--	20	742

For fiscal elements tested and related concerns noted: Equus has cleared the observations pertaining to the attributes before report issuance.

For CCI/ Quality Assurance testing:

Thirty-seven files were reviewed for the Workforce Programs, Choices, NCP, SNAP and WIOA Adult, Dislocated Worker, and Youth. Twenty-four errors were identified and nineteen of those errors were for the element Case Notes and Other Documentation Match. The Choices program had fifteen of the nineteen errors; the document in the file did not match the entries in the TWIST Support Services tab or Counselor notes. There was a lack of documentation of the approval process and disbursement of the funds. Errors that were correctible have been acted on by Equus 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 considered closed upon issuance of this report. NCTCOG appreciates the cooperation and assistance received by Equus' management in providing us the necessary information to complete the Review.

Appendix A

Acronyms

GL	General Ledger
NCTCOG	North Central Texas Council of Governments
NCTWDB	North Central Texas Workforce Development Board
SSRF	Support Services Request Form
TRARF	Transportation Assistance Request Form
TWC	Texas Workforce Commission
UGMS	Uniform Grant Management Standards
WORCS	Equus Disbursements Software
CCI\QA	Compliance & Continuous Improvement\Quality Assurance
CD/PM/OM	Center Director/Program Manager/Operations Manager

SharePoint URL

<https://connect.nctcog.org/extranet/AA/ResCare> > Support Services > October 15 - November 15, 2021