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August 15, 2023

## Monitoring Committee Meeting Notice

Members of the Monitoring Committee will meet **on Tuesday, August 22, 2023, at 11:00 am via Zoom** link below. Due to the ongoing health concerns with the COVID-19 pandemic, we will be observing social distancing. We appreciate your patience and understanding in this matter.

### Join Zoom Meeting

<https://us06web.zoom.us/j/82836060475?pwd=Y0h6NW9GTHRqckpVUjZybGF6SDUydz09>

**Meeting ID: 828 3606 0475**

**Passcode: 866986**

**One tap mobile +13462487799**

## Agenda

1. Call to order and introductions – Kristin Little, Chair
2. Diaz, Smith and Associates Fiscal Integrity Report.



2024 NTWDB Fiscal  
Integrity Report.pdf

3. Update on Program Monitoring RFP.
4. Review summary of Workforce Center reviews
5. Review summary of Child Care reviews
6. Other discussion
7. Next meeting date to be determined with email poll
8. Adjourn

Report on the Fiscal  
Integrity Evaluation  
of:

# Contractors of Workforce Solutions North Texas

In their capacities of Workforce Center, Child Care and Specialty  
Contractors in the **North Texas Workforce Development Area**

July 31, 2023

# R

Report Demographics

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**Report Number:** WFSNT 24-01

**Report Type:** Final

**Report Issue Date:** July 31, 2023

**Review Type:** Annual Fiscal Integrity Evaluation

**Review Population:** *Arbor E&T, LLC dba Equus Workforce Solutions (EWS)  
Rolling Plains Management Corp (RPMC)  
In their capacities of Workforce Center, Child Care and Specialty  
Contractors in the North Texas Workforce Development Area*

**Applicable Period:** October 1, 2023 through September 30, 2024

**Review Conducted by:** **D**iaz, **S**mith, and **A**ssociates  
Sujuane Smith  
Anna Rocha-Diaz  
Edward Taylor

**Report Developed by:** Edward Taylor

**Report Review and Approval:**

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**Reviewed by:**

1. Printed Name: Sharon Hulcy Printed Title: \_\_\_\_\_

Signature: Sharon Hulcy

**Approved by:**

1. Printed Name: \_\_\_\_\_ Printed Title: \_\_\_\_\_

Signature: Lisa McDaniel

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## Fiscal Integrity Background

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The provisions of the TWC rule §802.21 as outlined below requires the **Workforce Solutions North Texas** (the Board) to conduct an annual fiscal integrity evaluation of its applicable subcontractors as identified in the review population on page 2 of this report.

### §802.21. Board Contracting Guidelines

#### *(a) Fiscal Integrity Provisions.*

- (1) A Board shall develop fiscal integrity evaluation indicators designed to appraise the fiscal integrity of its workforce service contractors.*
- (2) A Board shall assess its workforce service contractors to ensure the contractors meet the requirements of the Board's fiscal integrity evaluation based on the following schedule:*
  - (A) contracts under \$100,000-the fiscal indicators must be verified prior to the award of the contract and at each renewal of the contract;*
  - (B) contracts between \$100,000 and \$500,000-the fiscal indicators must be verified prior to the award of the contract, at each renewal of the contract, and not less than biennially; and*
  - (C) contracts over \$500,000-the fiscal indicators must be verified prior to the award of the contract, at each renewal of the contract, and not less than once annually.*
- (3) The fiscal integrity evaluation shall include the following provisions for ensuring that workforce service contractors are meeting performance measures in compliance with requirements contained in:*
  - (A) federal and state statutes and regulations and directives of the Commission or Agency;*
  - (B) Office of Management and Budget (OMB) circulars applicable to the entity, such as OMB Circulars A-21, A-87, or A-122, and the Office of the Governor's Uniform Grant Management Standards; and*
  - (C) any other safeguards a Board has identified that are designed to ensure the proper and effective use of funds placed under the control of its workforce service contractors.*
- (4) The fiscal integrity evaluation shall also include the review and consideration of the prospective or renewing workforce service contractor's prior three-year financial history before the Board awards or renews a workforce service contract. The review shall include any adverse judgments or findings, such as administrative audit findings; Commission, Agency, or Board monitor findings; or sanctions by a Board or court of law.*
- (5) The fiscal integrity evaluation may include provisions such as accounting for program income in accordance with federal regulations, resolving questioned costs and the repayment of disallowed costs in a timely manner, and safeguarding fixed assets, as well as those referenced in the Texas Workforce Commission's Financial Manual for Grants and Contracts.*

**(b) Bonding, Insurance, and Other Methods of Securing Funds to Cover Losses.**

- (1) A Board shall ensure that at least 10% of the funds subject to the control of the workforce service contractors is protected through bonds, insurance, escrow accounts, cash on deposit, or other methods to secure the funds consistent with this subchapter. A Board and its workforce service contractors may, consistent with this section, use any method or combination of methods to meet this requirement. At the Board's discretion, the Board may pay for the bonding, insurance, or other protection methods or require its workforce service contractors, to the extent allowable under state and federal law, to pay for such protection.
- (2) In conducting the fiscal integrity evaluation required in this section, a Board may determine that more than 10% of the funds subject to the control of its workforce service contractors shall be secured through bonds, insurance, escrow accounts, or other methods consistent with this subchapter.
- (3) Escrow of funds may also be used to satisfy the requirements of §801.54(b) provided that:
  - (A) the funds placed in escrow require the signature of persons other than the persons with signatory authority for the Board's workforce service contractors;
  - (B) the funds do not lapse due to requirements for timely expenditure of funds; and
  - (C) this provision does not conflict with any provision in contract, rule, or statute for the timely expenditure of funds.
- (4) If a bond is used, a Board shall ensure that the bond is executed by a corporate surety or sureties holding certificates of authority, authorized to do business in the state of Texas.
- (5) A Board shall ensure, based on the schedule referenced in §801.54(a)(2) of this section, that each of its workforce service contractors is required to verify that:
  - (A) the insurance or bond policy is valid, premiums are paid to date, the company is authorized to provide the bonding or insurance, and the company is not in receivership, bankruptcy or some other status that would jeopardize the ability to draw upon the policy;
  - (B) the escrow account balances are at an appropriate level;
  - (C) the method of securing the funds has not been withdrawn, drawn upon, obligated for another purpose, or is no longer valid for use as the method of security; and
  - (D) other such protections as are applicable and relied upon by the Board are verified as in force.
- (6) A Board shall ensure that the workforce service contractors are required to disclose any changes in and circumstances regarding the method of securing or protecting the funds under the workforce service contractors' control.

**(c) Standards of Conduct. A Board shall ensure that the workforce service contractors:**

- (1) comply with federal and state statutes and regulations regarding standards of conduct and conflict of interest provisions including, but not limited to, the following:
  - (A) 29 C.F.R. §97.36(b)(3), which includes requirements from the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;
  - (B) professional licensing requirements, when applicable; and
  - (C) applicable OMB circular requirements and the Office of the Governor's Uniform Grant Management Standards.

- (2) *avoid any conflict of interest or any appearance of a conflict of interest; and*
- (3) *refrain from using nonpublic information gained through a relationship with the Commission, an Agency employee, a Board, or a Board employee, to seek or obtain financial gains that would be a conflict of interest or the appearance of a conflict of interest.*

**(d) Disclosures. A Board shall require its workforce service contractors to disclose the following:**

- (1) *Matters Subject to Disclosure. A Board shall ensure that its workforce service contractors promptly disclose in writing the following:*
  - (A) *a substantial financial interest that the workforce service contractor, or any of its workforce service contractor employees in decision-making positions, have in a business entity that is a party to any business transaction with a Board member or Board employee who is in a Board decision-making position;*
  - (B) *a gift greater than \$50 in value given to a Board member or Board employee by a workforce service contractor or its employees; and*
  - (C) *the existence of any conflict of interest and any appearance of a conflict of interest, or the lack thereof.*
- (2) *Content of Disclosure. A Board shall ensure that its workforce service contractors' written disclosures contain the following:*
  - (A) *information describing the conflict of interest; and*
  - (B) *information describing the appearance of a conflict of interest, and actions the workforce service contractor and its employees will take in order to prevent any conflict of interest from occurring.*
- (3) *Frequency of Disclosure. A Board shall ensure that its workforce service contractors disclose:*
  - (A) *at least annually, and as frequently as necessary, any conflict of interest and any appearance of a conflict of interest;*
  - (B) *within 10 days of giving a gift greater than \$50 in value as referenced in this section; and*
  - (C) *at least annually that no conflict of interest and no appearance of a conflict of interest exists.*
- (4) *Matters Not Subject to Disclosure. This provision does not apply to:*
  - (A) *a financial transaction performed in the course of a contract with the Board; or*
  - (B) *a transaction or benefit that is made available to the general public under the same terms and conditions.*

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## Review Population and Documents Reviewed

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Following are the documents, itemized by entity, evaluated in the conduct of this fiscal integrity evaluation. The evaluation was conducted on the behalf of **Workforce Solutions North Texas** (the Board) as pursuant to the TWC requirements at its rule §802.21.

### A. Arbor E&T, LLC dba Equus Workforce Solutions (EWS)

- Questionnaire:** *Diaz, Smith, and Associates' (DSA) Fiscal Integrity and Financial Risk Assessment Questionnaire (FIRA) completed by the EWS Project Accountant and dated (unsigned) June 15, 2023. The completed questionnaire indicates:*
  - Their contract for the October 1, 2023 through September 30, 2024 year will be cost reimbursement without funds advanced and approximately \$2,300,000.
  - In the current period FIRA response EWS did not indicate it incurred any questioned/disallowed costs in the preceding five-year period. Per last year's FIRA EWS stated it has incurred *\$929.61 in questioned costs* during the preceding five-year period. Additionally, per their response to the Boards monitoring report (WSNT23-05 resultant from a DSA annual financial monitoring review) EWS stated *"Equus will reimburse the Board for the \$7,504.00 questioned ITA costs"*.
  - EWS states the following regarding the TWC 10% fiscal integrity requirement: "N/A – Cost reimbursable contract and Equus does not drawn down Federal funds nor requires advances from the Board"
  - EWS provides the departure and rehire of the key positions as presented in the following diagram.

Position Title	Date of Departure	Date of Replacement Hire
Project Director	12/30/2019	12/30/2019
Program Supervisor	12/30/2019	01/27/2020
Program Supervisor	07/22/2022	07/22/2022
Business Services Manager	12/09/2019	12/10/2019
Business Services Manager	06/24/2020	07/20/2020

- The EWS FIRA responses indicate the following *anticipated budget* amounts; *miscellaneous \$1,320,949, indirect cost \$151,892.*
  - EWS states it will provide clients gas cards (\$25), gift cards (\$25, \$50) and bus passes (\$25) at various locations during the period covered by this evaluation.
- Current Contract:** EWS provided: Contract No. 2021-005 WFC PY2023; Period: 10/1/22 – 9/30/22; Contract Amount: \$2,000,000.00. Additionally, provided were subsequent contract amendments 1 through 5.

3. **Audit Reports:** EWS provided the following audit reports/documents:
  - *Equus Workforce Solutions Report on Financial Statements and Expenditures of Federal Awards in Accordance with the Uniform Guidance for the Year Ended December 31, 2021. The report was prepared by ML Weekes & Company, PC; dated June 29, 2022. No findings and/or questioned costs were identified*
  - *FY2021 Final Indirect Cost Rates Schedule, Independent Auditor's Report for the Fiscal Year Ended December 31, 2021; Audited By: ML Weekes & Company, PC; dated June 29, 2022.*
  - *Equus Workforce Solutions Career Services FY2022 Provisional Indirect Cost Rates Schedule, Independent Accountant's Report for the Fiscal Year Ended December 31, 2022; Audited By: ML Weekes & Company, PC; dated July 20, 2022.*
4. **Organization Chart:** The EWS North Texas Organizational Chart dated June 05, 2023.
5. **Cost Allocation Plan:** The "Equus Workforce Solutions Cost Allocation Plan for Contracts with the North Texas Workforce Development Board" for the period October 1, 2021 through September 30, 2022. The plan was signed by the Director of Revenue Cycle on November 19, 2021. Additionally, EWS provided the following:
  - *Final Indirect Cost Rates, For the Year Ended December 31, 2020*
  - *Provisional Indirect Cost Rates, For the Fiscal Year Ending December 31, 2021*
  - *Letter of Indirect Cost Rate percentage; Date: July 15, 2021*
  - *FY2021 Provisional Indirect Cost Rates Schedule, Independent Accountant's Report for the Fiscal Year Ended December 31, 2021; Audited By: ML Weekes & Company, PC; Date: July 12, 2021*
6. **Monitoring Reports:** The following monitoring reports were provided by EWS:
  - **DSA Monitoring report WSNT23-05, issued March 31, 2023**
  - *February 7, 2023, CAP WIOA, Follow up for 2022 WIOA Program Monitoring review*
  - **Texas Workforce Commission Report #22.03.0001 reflecting the results of their review of the Boards Child Care Services, Choices, Employment Services and WIOA programs. The report is dated November 9, 2022**
  - **Texas Workforce Commission Report #21.03.0001 reflecting the results of their review of the Boards Child Care Services, Choices, Employment Services and WIOA programs. The report is dated March 7, 2022**
  - *Richard Rogers, Board Monitor; Equus Choices and SNAP Program Monitoring Final Report – North Texas; Date: February 3, 2023*
  - *Richard Rogers, Board Monitor; Equus WIOA Program Monitoring Final Report – North Texas; Date: February 3, 2023*

The following reports were provided by EWS in response to last year's FIRA

- *Choices Monitoring (21 Monitoring Reviews for 2020 – 2021)*
- *-PII Review; Review Period: 5/13/21 – 6/8/21*
- *-Procurement Monitoring (16 Monitoring Reviews for 2020 – 2021)*
- *-SNAP Monitoring (6 Monitoring Reviews for 2020 – 2021)*
- *-Support Services Monitoring (17 Monitoring Reviews for 2020 – 2021)*
- *-WIOA Monitoring (43 Monitoring Reviews for 2020 – 2021)*

**External**

- *-Richard Rogers, Board Monitor; Choices Program Monitoring Final Report – North Texas; Date: February 7, 2022*
- *-Richard Rogers, Board Monitor; SNAP Program Monitoring Report – North Texas; Date: February 7, 2022*
- *-Richard Rogers, Board Monitor; WIOA Program Monitoring Final Report – North Texas; Date: February 7, 2022*
- *-Texas Workforce Commission; Date: 3/4/21; Audit Resolutions Report*
- *-Texas Workforce Commission; Date: 1/29/21; Letter on Monitoring of North Texas Board's Equal Opportunity Compliance*
- *-Richard Rogers, Board Monitor; 2020 Alternate Funded Program Monitoring Report - North Texas; Date: December 5, 2020*

7. **Cash Management:** EWS provided its May 2023 Wells Fargo, Arbor E&T, LLC North Texas Support Services Imprest bank statement and reconciliation.
8. **Escrow Accounts:** EWS states the following regarding the TWC 10% fiscal integrity requirement: "N/A – Cost reimbursable contract and Equus does not drawn down Federal funds nor requires advances from the Board"
9. **Policies and Procedures:** EWS provided the following policies and procedures:
  - *ResCare Accounting Policies and Procedures Manual issued January 16, 2007 and last revised May 31, 2018.*
  - *Project Accountant Training Procedure – Oracle Invoice and Payment Lookup (denoted as Cash Disbursement Procedure-Invoice Lookup in Oracle)*
  - *Policy and Procedure Number 00-13, Fraud Prevention, Original Issue Date: 12/31/2006; Revised Date: 12/06/2018.*
  - *Workforce Solutions North Texas PCard Policy and Procedure dated 02/09/2023*
  - *Workforce Solutions North Texas Support Services Guide dated 03/06/2022*
  - *Procurement Policy and Procedure; Effective Date: 5/10/2016; Revised Date: 01/10/2023.*

10. **Insurance:** The EWS *Arbor E&T, LLC Certificate of Liability Insurance* reflecting the following coverages for the period July 1, 2022 through July 31, 2023. The Board is not listed as the Certificate Holder.

Type of Insurance	Limits	
<b>Commercial General Liability</b>	each occurrence	4,000,000.00
Damage to rented premises	each occurrence	3,000,000.00
Medical Expenses	any one person	
	Personal and ADV injury	4,000,000.00
	general aggregate	6,000,000.00
	Products	4,000,000.00
<b>Automobile Liability</b>	Combined single limit each accident	3,000,000.00
<b>Umbrella Liability</b>	Each occurrence/Aggregate	\$7,000,000
<b>Workers Compensation</b>	Each accident	2,000,000.00
	Disease each employee/policy limit	2,000,000.00
E&O-MPL-Primary	Each Claim/Aggregate	5,000,000.00

11. **Conflict of Interest:** EWS provided the following:

- The EWS response to item 62 in the FIRA questionnaire states that EWS requires its Board members and personnel to sign a (non) conflict of interest attestation.
- EWS indicates that its personnel are not required to disclose gifts greater than \$50, given to a Board member or Board employee.

12. **Adverse Judgements:** EWS indicated it did not have any adverse judgements or findings during the last twelve months that would impede their ability to perform the services pursuant to a contract with the Board.

## B. Rolling Plains Management Corporation, (RPMC)

1. **Contract:** The following contracts were provided:
  - September 27, 2022 Letter of Intent issued by the Board for the contract periods 9/1/2022 through 8/31/23 and 10/1/2022 through 10/31/2023
  - Contract No. 2022-008 CCS FY2023; Contract Period: 10/1/22 to 10/31/23
2. **Organization Charts:**
  - *The Rolling Plains Management Corporation Organization dated June 6, 2023.*
  - *The Rolling Plains Management Corporation Organization Chart (Child Care Assistance) dated June 6, 2023.*
3. **Fiscal Integrity Questionnaire:** *Diaz, Smith, and Associates' (DSA) Fiscal Integrity and Financial Risk Assessment Questionnaire (FIRA) for the period October 1, 2023 through September 30, 2024 completed by the RPMC Financial Director and dated June 26, 2023. The questionnaire responses indicate the following:*
  - RPMC's contract with the Board will be cost reimbursement without advances of approximately \$8,500,000.
  - Per the FIRA RPMC conducted a physical inventory in February but did not provide a value of the assets. RPMC states this value is "*maintained at the Board level.*" Per the provided IRS form 990 *land, buildings and equipment are valued at \$4,480,456 (net of depreciation).*
  - RPMC indicates it has incurred \$37.47 in disallowed costs in the preceding five years.
  - RPMC states that it will utilize "*Directors and Officers Insurance of \$2,000,00/\$100,000 to satisfy the TWC 10% fiscal integrity requirement*". Per the FIRA the contract with the Board *will be cost reimbursement without funds advanced.*
  - Per the FIRA the RPMC Program Director departed June 2022 and their replacement was hired in August 2022.
  - RPMC indicates it will use a *De Minimis* indirect rate to allocate overhead expenses.
  - The RPMC FIRA responses indicate the following *anticipated budget amounts; travel \$41,466, indirect cost \$122,907.*
4. **Audit:** RPMC provided the following:
  - *Rolling Plains Management Corporation of Baylor, Cottle, Foard, Hardeman and Wilbarger Counties Financial Statements and Independent Auditor's Report, For the Year Ended November 30, 2021; Audited By: MWH Group, Certified Public Accountants Consultants; Dated: July 26, 2022. No findings are indicated*
  - *-Management Letter; Dated: July 26, 2022*

5. **Cash Management:** RPMC provided its May 2023 bank statements and reconciliations for the following accounts:
  - *Operating Account*
  - *Payroll Account*
  - *Herring Bank Cash Account*
  - *Cash Account RPMC 1*
  
6. **Monitoring Reports and Workpapers:** The following monitoring reports were considered in the conduct of this fiscal integrity evaluation:
  - *DSA financial monitoring review report and associated work papers for the year ending September 30, 2023*
  - *Various quarterly Texas Department of Transportation; Financial Monitoring Reports*
  - *Texas Veterans Commission; Letter Date: 5/6/2022; \*\*Findings Resolved\*\**
  - *Texas Department of Housing and Community Affairs; Date: 8/23/22 \*\*Findings Indicated\*\**
  - *2022 CCRF Monitoring Closure Report; Date 5/12/23*
  - *2022 CCRF Monitoring Closure Report; Date 6/2/23*
  
7. **Cost Allocation:** RPMC provided its Cost Allocation Plan for the for the fiscal year 2023. The plan was executed on December 1, 2022.
  
8. **IRS Form 990:** RPMC provided its IRS form 990 and supporting schedules for the fiscal year ended November 30, 2021.
  
9. **Policies and Procedures:** The following RPMC procedures were considered in the conduct of this fiscal integrity evaluation:
  - *Financial Procedures Manual, updated August 2, 2022*
  - *Personnel Policies of RPMC, updated April 4, 2023*
  
10. **Adverse Judgments:** RPMC indicated it did not have any adverse judgements or findings during the last twelve months that would impede their ability to perform the services pursuant to a contract with the Board.

11. **Insurance:** The RPMC provided its *Certificate of Liability Insurance* for the period March 17, 2023 through March 17, 2024 reflecting the following coverages. *The Board is not identified as the Certificate Holder.*

Type of Insurance	Limits	
<b>Commercial General Liability</b>	each occurrence	1,000,000.00
Damage to rented premises	each occurrence	100,000.00
Medical Expenses	any one person	5,000.00
	Personal and ADV injury	1,000,000.00
	general aggregate	3,000,000.00
	Products	3,000,000.00
<b>Automobile Liability</b>	Combined single limit each accident	1,000,000.00
<b>Umbrella Liability</b>	each occurrence/aggregate	5,000,000.00
<b>Workers Compensation</b>	Each accident	1,000,000.00
	Disease each employee	1,000,000.00
	Disease policy limit	1,000,000.00
<b>Cyber Liability/Identity Theft Third Party</b>	each claim	1,000,000.00
	aggregate	1,000,000.00

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*Because of inherent limitations in any system of internal accounting and administrative controls used in administering federal financial assistance programs, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the systems to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.*

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# Fiscal Integrity Determinations

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Our fiscal integrity assessment of the entities in the review population evaluated compliance with the citations below and those on the following pages. Following each citation is our determination.

## 1. Compliance

The TWC rules provide the following compliance requirements.

*The fiscal integrity evaluation shall include the following provisions for ensuring that workforce service contractors are meeting performance measures in compliance with requirements contained in:*

- (A) federal and state statutes and regulations and directives of the Commission or Agency;*
- (B) Office of Management and Budget (OMB) circulars applicable to the entity, such as OMB Circulars A-21, A-87, or A-122, and the Office of the Governor's Uniform Grant Management Standards; and*
- (C) any other safeguards a Board has identified that are designed to ensure the proper and effective use of funds placed under the control of its workforce service contractors.*

## Review Determination

*Our review determined the [Arbor E&T, LLC dba Equus Workforce Solutions \(EWS\)](#) and [Rolling Plains Management Corp \(RPMC\)](#) are materially in compliance with the requirements of the above cited TWC provisions.*

## 2. Cash on Deposit or Other methods to Secure Funds

The TWC rules provide the following securing funds requirements.

- (1) A Board shall ensure that at least 10% of the funds subject to the control of the workforce service contractors is protected through bonds, insurance, escrow accounts, cash on deposit, or other methods to secure the funds consistent with this subchapter. A Board and its workforce service contractors may, consistent with this section, use any method or combination of methods to meet this requirement. At the Board's discretion, the Board may pay for the bonding, insurance, or other protection methods or require its workforce service contractors, to the extent allowable under state and federal law, to pay for such protection.*
- (2) In conducting the fiscal integrity evaluation required in this section, a Board may determine that more than 10% of the funds subject to the control of its workforce service contractors shall be secured through bonds, insurance, escrow accounts, or other methods consistent with this subchapter.*
- (3) Escrow of funds may also be used to satisfy the requirements of §801.54(b) provided that:
  - (A) the funds placed in escrow require the signature of persons other than the persons with signatory authority for the Board's workforce service contractors;*
  - (B) the funds do not lapse due to requirements for timely expenditure of funds; and*
  - (C) this provision does not conflict with any provision in contract, rule, or statute for the timely expenditure of funds.**

### **Review Determination**

Our review determined the *Arbor E&T, LLC dba Equus Workforce Solutions (EWS)* and *Rolling Plains Management Corp (RPMC)* are materially in compliance with the requirements of the above cited TWC provisions

### **3. Bonding, Insurance, and Other Methods of Securing Funds to Cover Losses**

The TWC rules provide the following securing funds requirements.

*If a bond is used, a Board shall ensure that the bond is executed by a corporate surety or sureties holding certificates of authority, authorized to do business in the state of Texas.*

*(5) A Board shall ensure, based on the schedule referenced in §801.54(a)(2) of this section, that each of its workforce service contractors is required to verify that:*

- (A) the insurance or bond policy is valid, premiums are paid to date, the company is authorized to provide the bonding or insurance, and the company is not in receivership, bankruptcy or some other status that would jeopardize the ability to draw upon the policy;*
- (B) the escrow account balances are at an appropriate level;*
- (C) the method of securing the funds has not been withdrawn, drawn upon, obligated for another purpose, or is no longer valid for use as the method of security; and*
- (D) other such protections as are applicable and relied upon by the Board are verified as in force.*

### **Review Determination**

Our review determined the *Arbor E&T, LLC dba Equus Workforce Solutions (EWS)* and *Rolling Plains Management Corp (RPMC)* are materially in compliance with the requirements of the above cited TWC provisions

### **4. Standards of Conduct a Board shall ensure that the workforce service contractors:**

The TWC rules provide the following standard of conduct requirements.

*(1) comply with federal and state statutes and regulations regarding standards of conduct and conflict of interest provisions including, but not limited to, the following:*

- (A) 29 C.F.R. §97.36(b)(3), which includes requirements from the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;*
  - (B) professional licensing requirements, when applicable; and*
  - (C) applicable OMB circular requirements and the Office of the Governor's Uniform Grant Management Standards.*
- (2) avoid any conflict of interest or any appearance of a conflict of interest; and*
- (3) refrain from using nonpublic information gained through a relationship with the Commission, an Agency employee, a Board, or a Board employee, to seek or obtain financial gains that would be a conflict of interest or the appearance of a conflict of interest.*

## **Review Determination**

Our review determined the Board, *Arbor E&T, LLC dba Equus Workforce Solutions (EWS)* and *Rolling Plains Management Corp (RPMC)* are materially in compliance with the requirements of the above cited TWC provisions

### **5. Disclosures: A Board shall require its workforce service contractors to disclose the following:**

The TWC rules provide the following standard of conduct requirements.

- (1) *Matters Subject to Disclosure. A Board shall ensure that its workforce service contractors promptly disclose in writing the following:*
  - (A) *a substantial financial interest that the workforce service contractor, or any of its workforce service contractor employees in decision-making positions, have in a business entity that is a party to any business transaction with a Board member or Board employee who is in a Board decision-making position;*
  - (B) *a gift greater than \$50 in value given to a Board member or Board employee by a workforce service contractor or its employees; and*
  - (C) *the existence of any conflict of interest and any appearance of a conflict of interest, or the lack thereof.*
- (2) *Content of Disclosure. A Board shall ensure that its workforce service contractors' written disclosures contain the following:*
  - (A) *information describing the conflict of interest; and*
  - (B) *information describing the appearance of a conflict of interest, and actions the workforce service contractor and its employees will take in order to prevent any conflict of interest from occurring.*
- (3) *Frequency of Disclosure. A Board shall ensure that its workforce service contractors disclose:*
  - (A) *at least annually, and as frequently as necessary, any conflict of interest and any appearance of a conflict of interest;*
  - (B) *within 10 days of giving a gift greater than \$50 in value as referenced in this section; and*
  - (C) *at least annually that no conflict of interest and no appearance of a conflict of interest exists.*
- (4) *Matters Not Subject to Disclosure. This provision does not apply to:*
  - (A) *a financial transaction performed in the course of a contract with the Board; or*
  - (B) *a transaction or benefit that is made available to the general public under the same terms and conditions.*

## **Review Determination**

Our review determined the Board, *Arbor E&T, LLC dba Equus Workforce Solutions (EWS)* and *Rolling Plains Management Corp (RPMC)* are materially in compliance with the requirements of the above cited TWC provisions

# Child Care QA Report -April 2023 to June 2023

Monday, April 24, 2023

The Quality Assurance (QA) process is an in-house, case file auditing process that involves a preliminary QA audit and a final QA audit for any case being determined eligible for child care services.

## Quality Assurance Numbers

Total Cases Reviewed	407	Average Monthly Accuracy rate	98.46%	100% Accuracy for all cases	Disallowed Cost	\$0.00	
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Summary of Monitoring by Center August 2023

Workforce Center Contractor: Equus Workforce Solutions

INTERNAL MONITORING REPORT	PERIOD	ACCURACY RATE	FINAL ACCURACY RATE	Disallowed Cost
CHOICES Noncooperation-100% (replaced Choices CM)	2023.07	100%	100%	None
CHOICES Work Activities-100%	2023.07	100%	100%	None
PII-1 CENTER PER QUARTER	2023.Q2	70%	100%	None
PROCUREMENT REVIEW-100%	2023.Q2	100%	100%	None
SNAP Non-Cooperation-100% (replaced SNAP CM)	2023.06	100%	100%	None
SNAP Work Activities-100% (replaced SNAP CM)	2023.06	77%	85% (due to month past)	None
SUPPORT SERVICES REVIEW-100%	2023.06	95%	99% (due to quarter+20)	None
WIOA CASE NOTE REVIEW-100%	2023.07	64%	89% (bi-weekly contact now required)	None
WIOA Data Validation, MSG, Credential- 100% (replaces WIOA CM)	2023.04	91%	95% (DV added)	None
WIOA ELIGIBILITY REVIEW-100%	2023.07	99%	100%	None