

Financial Monitoring Report

BY: NEMO WIB

PY18

Adult, Dislocated Worker, and Youth Programs Boonslick Regional Planning Commission (BRPC)

December 13, 2019

Final draft 2/27/2020

Introduction

Staff from the NEMO Workforce Investment Board conducted financial monitoring of The Boonslick Regional Planning Commission, (B.R.P.C.) The financial monitoring is not an audit and, due to the limited scope of the review, may not disclose all systems' weaknesses.

Concerns

Concerns are items that are a violation of a specific requirement or generally accepted accounting principle (Uniform Guidance). Concerns require written corrective action plans by either accepting the NEMO WDB recommendation or proposing and receiving approval for an alternate procedure. No concerns at this time.

Comments

Comments are items the NEMO WDB has suggested for revision to improve the accounting system. These items are suggestions to management and do not require a response unless specifically requested. No comments at this time.

Administrative Controls

BRPC uses a fiscal year beginning July 1 and ending June 30.

August 2018 and June 2019 was reviewed.

BRPC utilizes a written separation of duties policy and it is followed by all staff members.

Accounting and Reporting

Accounting Structure: BRPC uses GMS (Grant Management Systems) product as their computerized accounting system. The agency keeps source documentation to back up the computerized system and there are written accounting procedures that are reviewed annually and updated as needed. BRPC is on a cash reimbursement basis and submits monthly invoices to the NEMO WIB for payment. These monthly invoices include the original budget, current monthly expenses and year to date expenses.

Reporting: BRPC submits all reports however not always in a timely manner. The monitors explained that monthly CPR's (Cash Progress Reports) are to be sent to NEMO WDB by the 6th of every month, not the 6th Business day. Previous CPR's were received past the due date of the 6th. Comment: This has been an ongoing concern in the past, and has been upgraded to a comment. It has been discussed numerous times about the timeliness of the CPR reporting. CPR reporting is due by the 6th day of every month.

Internal Controls

Personnel Policies and procedures asked for were received and found to be up to date and compliant with NEMO WDB's policies, however, 1 concern is noted below.

BRPC's Conflict of Interest Policy was reviewed, and appears to be in good order.

BRPC's Accounting Procedures Manual (Revised June 1, 2018) was reviewed. Under the title of Cash Receipts NEMO WIB Fiscal Officer would like to see 2 sets of initials present on each monthly Bank statements as well as Bank Reconciliation to ensure proper checks and balance measures, as noted in BRPC's Accounting Procedures manual. This is currently not being carried out, and is noted as a concern.

On page 13 of the Accounting Procedures Manual, under the title of Bonding, and the title of Auditing, the verbiage of WIA has not been updated to WIOA. Although not a huge concern, this has been noted in previous fiscal monitoring and needs to be corrected.

As of 1/28/2020 the verbiage has been corrected.

Cost Allocation

BRPC's Indirect Cost Allocation Plan was reviewed. According to BRPC's allocation plan, NEMO WIB portion of the allocation is 61%. This is acceptable to the report. A sample of this allocation will be applied to Job Center Cost Share expenses.

A schedule of Billing codes was provided and reviewed.

An Organizational Chart was provided and reviewed.

Indirect Cost Rate

BRPC provided an Indirect Cost Rate.

Insurance Policies

Insurance Crime Policy Declaration was provided and reviewed.

FDIC Coverage

Security Pledge from US Bank proving FDIC Coverage was provided and reviewed. BRPC utilizes a non-interest bearing account.

Financial Reporting

As previously mentioned CPR's are not reported in a timely manner.

August 2018 CPR's were reviewed. Several discrepancies were noted.

Please see further explanation on pages 4,5,and 6.

Once these discrepancies are explained this section of the report will be completed.

All discrepancies were reviewed and are being resolved.

NGCC, Adult, DW and Youth In School and Youth Out of School CPR's

All Expenditures were balanced back to the August Cash Progress Report (CPR) for the months of August 2018, and June 2019. July 2018 CPR's were not available because BRPC Fiscal Officer was working with the GMS company to close out the fiscal year. Expenses were reported on August 2018 CPR's. Several discrepancies were noted and further explanation is required to fully understand how expenses were reported on the August 2018 CPR. Please review these expenses reported and show your work regarding how you arrived at these figures.

Source Documentation

Invoices for July/August 2018 were reviewed and compared to August CPR's.

NEMO WIB Fiscal Officer discovered many discrepancies.

Several discrepancies noted. NEMO Workforce responses are highlighted in yellow.

Boonslick Fiscal Monitoring Issues

1. **July 2018** No CPR's were reported-NEMO WDB requires BRPC to submit a CPR in July. BRPC will need to develop a schedule to work around for closing their books to fulfill this requirement.
2. **August 2018** CPR's were not received until September 7th, 2018
CPR's are due by the 6th of every month regardless of what day the 6th falls on.

Youth In School Contract

3. G/L #51001 Staff Salary/Fringe all charges were reconciled
4. G/L #51050 Staff Travel all charges were reconciled
5. G/L # 51051 Rent allocation method was calculated and charged accordingly.
6. G/L# 51053 Postage & Copies, an allocation method is used.
7. G/L# 51055 Phone/Internet, no expenses were reported, but invoices were collected for the monitoring. Corrections were reported on the October CPR.
8. G/L# 52600 *other* should only be used for expenses when there is no applicable G/L. Supporting documents are required when this G/L is used. The amount charged was \$244.15, according to BRPC's worksheet, \$344.15 was charged.
 - a. \$100.00 is due to NEMO WDB.

Out of School Contract

9. G/L #51053 need invoices to review to reconcile to CPR
 - a. Invoices were reconciled to the CPR
10. G/L# 52200 Work Experience, need invoices to review to reconcile to CPR.
 - a. Invoices were reconciled to the CPR

11. G/L# 51052 Sub Office Supplies-invoices included purchases of coffee for the facility of BRPC, check policy if allowable?
 - a. As of 2/20/2020 the purchase of coffee will no longer be purchased with Grant funding. A copy of the Issuance __DWD Issuance 04-2011 was provided to BRPC.
 12. G/L# 51053 Sub Postage/Copies \$2340.62 The accounting report provided does not explain what is being paid for from WIOA funds.
 - a. BRPC has a coding system that tracks who is making copies. Black and white copies are \$.15/piece and color copies are \$.50/piece. A log sheet was provided and NEMO WDB Fiscal officer will continue to monitor this expense, also, and postage meter and explanation was provided. NEMO WDB believes these costs are too high and should be reviewed by BRPC to see how these costs (for postage and copies) can be reduced.
 13. G/L #52600 ****Other**** the total amount of \$1980.62 supporting documents reflected a charge of \$1480.38 for the annual maintenance software for BRPC Accounting system. This charge should have been applied to G/L #51052 Office Supplies.
 14. \$130.24 for annual Post Office Box rental, should have been applied to G/L 51053 Postage, or G/L #51056 Rental/Lease.
 15. *The use of G/L 52600-****other**** is to be used only when another G/L is not available. An example of when G/L 52600 is to be used for a reported expense of a yearly audit of the facility. The expense of an audit would be allocated appropriately among the proper programs such as Adult, Dislocated Worker and Youth.
- Concern:** Inappropriate use of this G/L for expenses that should have reported on the Job Center Cost Share portion of the CPR. Throughout the program year, postage box rental, subscriptions to Columbia Tribune, and various other charges were reported to G/L 52600.
-
16. G/L accounts are available for these expenses to be reported accurately on the monthly CPR.
 17. Supporting Docs are not being received in a timely manner. This is a STATE requirement.
 18. \$370.00 for the Columbia Daily Tribune, annual newspaper subscription, should have been charged to G/L #51057 Subscriptions.
 - a. Supporting documents were sent on 9/12/2018. All expenses mentioned in the above paragraph were corrected and properly reconciled.
 19. September 2018-CPR's were not received until October 7th, 2018, due to BRPC Fiscal working with the software company to complete closing WIOA FY2018 books. (Attach email)
 20. Suggested by OWD to request June 2019 CPR's, if there are ongoing concerns, an on-site visit may be necessary to further rectify proper reporting of expenses.
 21. Dates of On-Site visits: 9/24/2019, 11/6/2019, and 2/20/2020.
 22. Exceeding the budget line items and not getting permission to amend the budget.

23. Work Experience staffing is not being utilized properly.
 Issuance 11-2015 DWD-Workforce Innovation and Opportunity Act (WIOA) Work Experiences for Youth Participants, was provided to BRPC and will continue to monitor this concern.

June 2019

24. Functional Leader Contract
 G/L# 51001 Personnel-Amount reported on CPR is \$3845.84, supporting documents reflect \$3261.00. A difference of \$584.84, journal entries were made to the accounting system.
 Documentation was provided by Fiscal Officer Kim Meyer.
25. G/L# 51050 Staff Travel-reported on CPR \$637.13, supporting documents reflect \$286.09, corrected journal entries were made to the accounting system.

NGCC Contract

Section #1

26. G/L #51001 Sub Staffing/Fringe-reported \$8963.93, but received supporting documents that reflect expenses of \$8327.19.
27. G/L# 51055 Subcontractor Phone/Internet-received invoices for \$471.04, but \$3516.74 was reported on CPR, a difference of \$3045.00.
28. G/L# 51057 Subcontractor Memberships/Dues/Subscriptions-\$43.75 was reported on CPR but received no supporting documents.
 Documents were reviewed during the on-site visit on 2/20/2020.
29. G/L# 52600**other**should only be used for expenses when there is no applicable G/L. Supporting documents are required when this G/L is used. Computer Help Consulting which is BRPC's maintenance for their computers. Should be charged to G/L# 51055 Subcontractor Telecommunication/Internet. BRPC Fiscal Officer explained the breakdown and provided further information.

Section #2

Adult Participant Services (NGCC Contract continued)

30. G/L# 52000 On the Job Training-Tools purchased for the participant.
 Requested and received invoices for this purchase. All has been resolved.

Section #3

Dislocated Worker Participant Services (NGCC Contract continued)

31. G/L# 52000 On the Job Training-No Concerns

Cash Management

B.R.P.C. deposit funds in a bank with FDIC Insurance, Funds are not deposited into an interest-bearing account.

Pledged Securities Agreement: Provided and reviewed. (from previous monitoring)
Equipment:

Procurement: No services were procured

Prepared By: Beth Wehler

Reviewed By: _____

Date of Final Report: March 3, 2020



Since 1968
Celebrating successes
Planning for the future

**BOONSLICK REGIONAL
PLANNING COMMISSION**

LINCOLN COUNTY

- Chain of Rocks
- Elsberry
- Foley
- Fountain N Lakes
- Hawk Point
- Moscow Mills
- Old Monroe
- Silex
- Troy
- Truxton
- Whiteside
- Winfield

MONTGOMERY COUNTY

- Bellflower
- High Hill
- Jonesburg
- McKittrick
- Middletown
- Montgomery City
- New Florence
- Rhineland
- Wellsville

WARREN COUNTY

- Innsbrook
- Marthasville
- Pendleton
- Truesdale
- Warrenton
- Wright City

CHAIRMAN
Hubert Kluesner

EXECUTIVE DIRECTOR
Chad M. Eggen

Established: May 27, 1968

111 Steinhagen
PO Box 429
Warrenton, MO 63383

Phone: (636) 456-3473
Fax: (636) 456-2329
<http://boonslick.org>

March 30, 2020

NEMO Workforce Development Board
Attention Diane Simbro, Executive Director
111 East Monroe
Paris, MO 65275

RE: PY 18 Monitoring

Dear Ms. Simbro,

We are in receipt of your financial monitoring report dated December 13, 2019 and the final draft received on February 27, 2020 concerning the WIOA Adult, Dislocated Worker, and Youth programs administered by Boonslick Regional Planning Commission (BRPC). We have responded to your inquiries, requests for more information, and preliminary reports. Let this letter represent our official and final response to the monitoring that consisted of a review of the following items: administrative and financial controls, accounting and reporting procedures, cash management, and source documentation.

There are no numbered items, so our comments and responses are by cited below by topic category:

A. Internal Control, Reports, Policy and Procedures.

The BRPC Executive Committee will review and update the *Accounting Procedures Manual* at their next meeting on April 13. Changes for calling out the WIOA programs will reflect updated name changes. Reporting issues with the local bank's monthly statement has affected the timing of CPR submittals. Changes have been rectified to ensure on time submissions by the 6th of the month.

B. NGCC Supportive Service and Participant Payroll Payments.

The transactions under Other have been duly noted. Staff will be diligent to code expenses to specific categories or inquire with the Workforce Board. The remaining issues have been rectified or addressed by staff. We will make every effort to sufficiently clarify or inquire with any issues in the future.

If you have any questions, then please contact me at (636) 456-3473.

Thank you for your attention to this matter.

Sincerely,

Chad M. Eggen
Executive Director

Encl
CC: JH/KM

On February 27, 2020 we received the final draft of the Financial Monitoring Report for the Adult, Dislocated Worker and Youth Programs expended through Boonslick Regional Planning Commission and was conducted in December 2019 by Beth Whelan, Fiscal Officer with NEMO Workforce Development Board. The monitoring consisted of a review of the administrative and financial controls, a review of the accounting and reporting, and a review of cash management.

The fiscal monitoring listed 31 separate fiscal monitoring issues and 1 concern. These items had been listed on a rough draft monitoring report on December 13, 2019. Boonslick Regional Planning Commission responded on February 10, 2020 and supplied all necessary documentation to clarify the issues presented on the rough draft. Beth Whelan also on site in February 2020 to clarify all items that were still in question. Boonslick Regional Planning Commission feels that all 31 items listed on the final monitoring report were sufficiently clarified and therefore should be removed from the final report.

Boonslick Regional Planning Commission will continue to improve the process of completing CPR's in a timely manner however there are times during the year that extra days maybe be needed to complete items to accommodate such things as holidays, weekends, and unforeseen absences of key personnel. Boonslick Regional Planning Commission will continue to improve on any and all issues from the 31 listed items.