

Financial Monitoring Report  
BY: NEMO WIB  
PY 18  
Adult, Dislocated Worker, and Youth  
July 1, 2018-June 30, 2019  
Gamm, INC

Site Visit: September 26, 2019

### **Introduction**

Staff from the NEMO Workforce Investment Board conducted financial monitoring of Gamm, INC. 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 WIB recommendation or proposing and receiving approval for an alternate procedure. No concerns at this time.

### **Comments**

Comments are items the NEMO WIB 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.

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### **Administrative Controls**

Gamm, INC uses a fiscal year beginning July 1 and ending June 30.

September 2018, December 2018 and June 2019 were reviewed.

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

### **Accounting and Reporting**

Accounting Structure: Gamm, INC uses Quick Books Financial products 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. Gamm, INC 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: Gamm, INC submits all reports in a timely manner. The monitors explained that monthly CPR's (Cash Progress Reports) are to be sent to NEMO WIB by the 6th of every month. Gamm, INC is on time and usually reports by the 5th of every month.

The monitors reviewed the trial balance of September 2018, December 2018 and June 2019. Charges pertaining to the Adult, Dislocated Worker, and Youth were monitored. A spreadsheet was created by Fiscal officer Kim Hinkle and reviewed by Beth Whelan, Fiscal officer, WIB. All invoices were traced to the monthly CPR's and are in balance accordingly.

**Internal Controls**

Policies and procedures asked for were received and found to be up to date and compliant with NEMO WIB's policies.

An internal control questionnaire was provided to Gamm, Inc. All questions were answered by Kim Hinkle accordingly.

A list of related parties was provided to the NEMO WIB monitor for review. All appear to be acceptable.

Bank Statement reconciliation for September 2018, December 2018 and June 30, 2019, was reviewed. No Discrepancies were found. Check Voucher Register for the same months. No discrepancies were found.

**Financial Reporting:**

All Expenditures were balanced back to the Trial Balance/Summary Budget Comparison reports for the months of September 2018, December 2018 and June 2019. All expenditures being balanced back to the Monthly Billing to the NEMO WIB. All charges were found to be accurate, allowable and necessary.

**Cost Allocation:** All charges are directly charged to each program

**Cash Management:** Bank reconciliations were reviewed.

**Pledged Securities Agreement:** Provided and reviewed.

**Equipment:** No equipment was purchased with PY18 Funds.

**Procurement:** No services were procured with PY 18 Funds.

Prepared By: Beth Whelan

Reviewed By: Alicia Kimbro

Internal Control Questionnaire  
NEMO Workforce

	Yes	No	N/A	Comment
1. Does the agency annually authorize the check signatories for all bank accounts?	X			
2. Is incoming mail opened and are receipts logged by a person with NO access to cash receipts or accounts receivable records?		X		three employees - overlapping responsibilities at times
3. Are checks restrictively endorsed immediately after receipt?	X			
4. Are pre-numbered cash receipts prepared?		X		
5. Are receipts deposited intact on a daily basis and are cash receipt logs compared to bank deposits?	X			
6. Do adequate physical controls exist over receipts from the time of mail opening until the time of deposit?	X			
7. Are all disbursements made by check?			X	some payments are made online
8. Are physical controls over blank check stock adequate?	X			
9. Are checks prenumbered and used in sequential order?	X			
10. Are checks prepared by employees who are independent of the voucher/invoice approval process?	X			
11. Are all disbursements approved for payment by the check signatory or other party?	X			
12. Are all voided checks properly defaced and retained?	X			
13. Is the signing of blank checks prohibited by policy?	X			
14. Are cancelled checks examined for authorized signatures, alterations, and proper endorsements?	X			
15. Is the Bank Reconciliation prepared by someone with no receipting or cash disbursement duties?			X	three employees - overlapping responsibilities at times
16. Is the completed Bank Reconciliation reviewed by a responsible official?	X			
17. Is the Bank Reconciliation signed or initialed and dated by both the preparer and the reviewer?	X			
18. Are checks outstanding for over 60 days investigated and payment stopped if necessary?	X			
19. Are disbursement vouchers reconciled to purchase orders and receiving reports?	X			
20. Are payments clearly marked to avoid duplicate payments?	X			

Internal Control Questionnaire  
NEMO Workforce

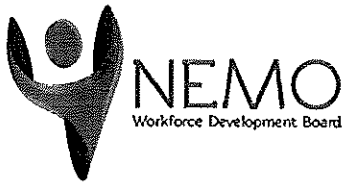
21. Is a chart of accounts utilized to distribute program costs to the proper costs centers?	X		
22. Does someone independent of the payroll preparation and time keeping processes review and approve the final payroll?		X	three employees - overlapping responsibilities at times
23. Are payroll checks machine signed?	X		
24. Are the processed payroll checks reviewed and reconciled to the payroll check register before distribution?	X		
25. Does a person independent of payroll check processing distribute the payroll checks?		X	three employees - overlapping responsibilities at times
26. Are unclaimed payroll checks returned to an employee independent of the payroll function for safekeeping?	X		
27. Is a perpetual record of all unclaimed wages maintained?	X		
28. Are gross and net pay amounts reported on IRS and State returns reconciled the payroll register and the General Ledger?	X		
29. Are wages ever paid in advance of a scheduled pay date?		X	
30. Is the purchasing function segregated from the receiving and disbursement functions?	X		
31. Are receiving reports reconciled to purchase orders?	X		
32. Are all purchases made in accordance with the agency's written procurement policy and procedures?	X		
33. Are requests for new personnel originated only by management?	X		
34. Is access to personnel files limited?	X		
35. Are any disciplinary notices maintained on file?	X		
36. Are job descriptions clearly defined?	X		
37. Are authorizations for each employee's salary or wage rate on file?	X		
38. Are wages paid at or above the current minimum wage?	X		
39. Does each employee's current gross salary or wage payment reconcile with the employee's current authorized salary or wage status?	X		
40. Are payroll charges supported by approved Personnel Activity	X		

Internal Control Questionnaire  
NEMO Workforce

Reports or Time and Attendance records?				
41. Is each employee's signature and the supervisor's signature affixed to the time records?	X			
42. Are Compensated Absences taken in conformity with the written personnel policy?	X			
43. Are individual payroll records sufficiently documented?	X			
44. Are each employee's payroll charges attributed to the various categories in accordance with the Personnel Activity Reports or Time and Attendance Records.	X			
45. Do the employee time records account for the total activity of each employee for the period.	X			
46. Are the charges adequately supported by each employee's current job description?	X			
47. Have payroll taxes been paid to the IRS and the State on a timely basis?	X			
48. Is Workers' Compensation insurance for all employees in effect?	X			
49. Is there any indication of fines or penalties imposed by the IRS or the State due to the late payment of payroll taxes?		X		
50. Are employees eligible for incentive payments (i. e. Bonuses)?		X		
51. Are criteria for earning bonuses clearly delineated in the Personnel Manual?		X		n/a
52. Do you accrue WIB employees' vacation hours?	X			
53. Do you draw the money for the accrued vacation hours?	X			
54. How is the money accounted for? Provide an accounting of the money to the monitor(s).				
55. Are travel policies and procedures clearly defined?	X			
56. Are per diem rates reasonable?	X			
57. Are travel vouchers supported by receipts for meal, lodging and other?	X			
58. Do travel vouchers list destination, number of miles driven, purpose for the travel, and etc.?	X			
59. Are written policies and procedures in place to ensure written approval is obtained prior to purchasing?	X			
60. Are costs properly allocated based upon usage?	X			
61. Is a physical inventory taken at least every two years to track all required data?	X			
62. Does the property management system track all data required by the Uniform Guidance Requirements?	X			Performed by WIB

Internal Control Questionnaire  
NEMO Workforce

63. Is there a process used to determine if it is more beneficial to lease equipment rather than to purchase equipment?	<input checked="" type="checkbox"/>	
64. Is equipment properly disposed of when it becomes obsolete or is no longer needed?	<input checked="" type="checkbox"/>	
I certify the information provided above depicts the current operation of the office.		
Name and Title of Agency Fiscal Officer		Date
Kim Hinkle		January 21, 2020
Name and Title of NEMO WIB Fiscal Officer		Date
Beth Velvelan		1/31/2020



**NEMO WORKFORCE DEVELOPMENT BOARD**

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January 31, 2020

Dana Keller,  
Executive Director  
Gamm, Inc.  
PO Box 49  
LaBelle, Missouri 63447

Dear Ms. Keller,

We have completed the monitoring of your financials for PY18 WIOA Adult, Dislocated Worker, and Youth Programs. Although no material issues were identified other than those contained in the report, it does not assure that other problems do not exist. The review is not an audit and due to its limited scope, may not disclose all program deficiencies. The opinions expressed in this report are based on the areas reviewed by the QA team. The United States Department of Labor, the Comptroller General of the United States, the Missouri State Auditor's Office, or any other appropriate federal or State body, or any of these agencies' designated representatives, may conduct reviews and have different conclusions or opinions.

Please find the detailed report attached.

Thank you to your staff for your cooperation in completing this monitoring.

Sincerely,

A handwritten signature in cursive script that reads "Diane Simbro".

Diane Simbro  
Executive Director