

EOWB FISCAL MONITORING REPORT

Field Work Dates January 29-30, 2019
 April 3-4-, 2019

Contact Name and Title Paula Hall, CEO
 Denise Jerome, Program Director
 Mike Fluharty, CFO
 Katie Smith, Accountant

CAPECO
721 SE 3rd Suite D
Pendleton, Oregon
541-276-1926

Results: On January 29 and 30, 2019 Brenda Frank , Farideh Alvijeh and myself performed a review of 90 total transactions. Of the reviewed items, we included 20 participant files, 20 staff payroll and the remainder in general and operating expenses. We also looked at a sample of CAPECO's policies, insurance, past audits, the current budget and sampled the bank statements, allocation and expenditure reports for December 2018.

CAPECO is currently in process of some major changes to the fiscal department. These include a new allocation plan, new fiscal procedures and updated office flow and staffing. Mike Fluharty C.P.A. has been hired as a consultant and is expected to continue for the majority of the year. These changes have been necessitated by the prior year audit.

Findings & recommendations: Since our January monitoring found several issues that required resolution and staff was not available, Farideh and I returned April 3rd and 4th to complete the monitoring. Listed below are items that through the course of both monitoring visits were noted.

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1) CAPECO fiscal policies were not followed

- a) bank statements were not reconciled monthly
 - b) financial statements were not prepared monthly
- January 30, 2019 EOWB had selected the December bank reconciliation and Financial Statements for our sample. As of our fieldwork days of January 29 and 30 2019 neither was done. This does not agree to CAPECO's policy.
- April 4, 2019 Both the December bank statement and financial statements were completed.

2) Cash is overstated by \$1,054,019.00 on the financial statements for December 2018.

- April 4, 2019 An investment in a housing unit has been erroneously reported as cash. Mike Fluharty will make the correcting journal entry

3) CAPECO policies for independent contractor and procurement were not followed

- a) Contract for Mike Fluharty did not meet the requirements set forth in policy
 - b) No record that we are able to verify the history of procurement for Mike Fluharty.
- January 30, 2019 The contract did not encompass the requirements that are set forth in CAPECO's policy for consultants and contractors. In addition, we were unable to verify that the RFP was published and the requirements for procurement history were not kept. CAPECO agreed to remove any cost of the contract from WIOA grants.

4) Final paychecks are not calculating correctly

- April 4, 2019 The software is not processing correctly and this is causing the grants to be charged an incorrect amount. The fiscal staff is now aware and will be seeking a fix to the issue.

5) Allocation of costs to various programs are not accurate

- April 4, 2019 The distribution tables were not updated for November and December 2018. In addition some costs are only spread to the formula funds and do not include smaller programs that receive benefit. These issues will be fixed when the new allocation system is in place but as of April 4, 2019 it is not operational.

6) Participant files 8 out of 20 needed correction.

a) Participant files had issues such as missing information or information that was not complete or that was different in I-Trac verses the participant file.

April 4, 2019

As of our monitoring all the files had been corrected.

We appreciate your partnership with EOWB. Thank you for your time during the review procedures.

Please contact me with any questions at 541-786-0836 Sheri@eowb.org

Sheri McDonald

Sheri McDonald, CPA
Chief Financial Officer