

South Central PY22/FY23 Admin Board  
Expenses

Total WIOA Admin Budget from State	\$ 107,133.40	10% of our PY22/FY23	\$ 1,071,373.00
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Salaries	\$ 58,822.00	
Payroll Taxes	\$ 4,012.78	
Fringe Benefits	\$ 3,000.00	
Retirement	\$ 1,871.10	
Rent	\$ 15,375.00	
Phones	\$ 1,920.00	
Office Supplies	\$ 3,440.00	
Travel for Staff/Board	\$ 18,500.00	
Board Expenses	\$ 2,000.00	
Computer Expense	\$ 6,026.00	
CPA Audit	\$ 12,500.00	
Insurances	\$ 13,800.00	
Total Admin Budget	\$ 141,266.88	

Admin Budget over Income	\$ (34,133.48)
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This deficit will be made up By Carry Over Money

WIB Program 20%	\$ 192,847.92	
Job Center Cost Share	\$ 27,900.00	
Program D Parrott	\$ 46,305.88	
Program C Staton	\$ 39,577.50	
Total WIB Program	\$ 113,783.38	\$ 79,064.54

Sub Receptient 80%	\$ 771,391.68
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# **AUDIT SERVICES PROPOSAL**

## **SOUTH CENTRAL WORKFORCE INVESTMENT BOARD**

**For The Year Ended June 30, 2022  
And Option Years June 30, 2023 and 2024**

***PRESENTED BY***

**WELCH, COUCH & COMPANY, PA  
Certified Public Accountants  
1386 Bill Virdon Blvd  
West Plains, MO 65775  
417•256•6624**

**Contact Person: Jeff D. Welch, CPA, JD**

**June 5, 2022**

# South Central Workforce Investment Board

## Table of Contents

	<u>Page</u>
Letter of Transmittal .....	1
Firm Profile .....	2
Statement of Work .....	3-4
Engagement Staff .....	5
Audit Plan & Projected Cost .....	6
Other Audit Experience .....	7
 <b>Accountability/Certifications</b>	
Peer Review Report .....	8-10
Equal Employment Opportunity & Drug-Free Policy.....	11



**Welch, Couch & Company, PA**  
Certified Public Accountants

John Ed Welch, CPA | William T. Couch, Jr., CPA  
Jeff D. Welch, CPA, JD | Rachel M. Pennywitt, CPA

**Members of American Institute of Certified Public Accountants**

June 5, 2022

South Central Workforce Investment Board  
Attn: Vanae Emerick, Executive Director  
416 Washington Ave  
West Plains, MO 65775

We are pleased to present this proposal for audit services for South Central Workforce Investment Board. This proposal is designed to communicate our understanding of your needs and to answer any questions regarding the background and qualifications of Welch, Couch & Company, PA and the services we intend to deliver. Please do not hesitate to contact us for more information or further clarification.

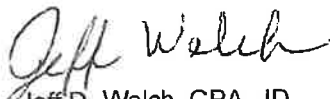
It is our understanding that the South Central Workforce Investment Board seeks a qualified independent certified public accounting firm for the performance of a financial and compliance audit that conforms to the requirements of the Office of Management and Budget (OMB) Circular, the Uniform Guidance and Audits of Higher Education & Other Non-Profit Institutions for the program year July 1, 2021 to June 30, 2022 and option years June 30, 2023 and 2024.

We believe our firm's commitment to utilizing experienced professionals that promptly respond to our client's needs allows us to deliver quality and affordable services in a timely manner.

Jeff D. Welch, CPA, JD is the representative of Welch, Couch & Company, PA who will be authorized to negotiate with South Central Workforce Investment Board regarding this potential contract. However acceptance of the final engagement will be subject to completion of Welch, Couch & Company, PA's normal client acceptance procedures and the final negotiated terms of our engagement will be documented in a formal separate engagement letter to be signed by you and Welch, Couch & Company, PA. Mr. Welch's address is 1386 Bill Virdon Blvd, West Plains, Missouri 65775 and his phone number is (417) 256-6624.

We hope this proposal provides you with the confidence that we are qualified to earn your services. Please call or write if you have any questions or if we can provide any clarification on any portion of this proposal.

Sincerely,

  
Jeff D. Welch, CPA, JD  
Partner

**Batesville:** PO Box 2094 | Batesville, AR 72503 | P: 870.793.5231 | F: 870.793.7788  
**Salem:** PO Box 647 | Salem, AR 72576 | P: 870.895.3212 | F: 870.895.2998  
**West Plains:** 1386 Bill Virdon Blvd. | West Plains, MO 65775 | P: 417.256.6624 | F: 417.256.1171

-1-

[www.welchcouch.com](http://www.welchcouch.com)

## ***Firm Profile***

Welch, Couch & Company, PA is a local firm which was founded over forty years ago to provide quality driven public accounting services to individuals and a broad spectrum of industries. The firm currently has three locations which include the main office located in Batesville, Arkansas and two additional locations in Salem, Arkansas and West Plains, Missouri. The firm employs 19 full-time personnel including five partners. At certain times during the year, the firm also utilizes part-time personnel on an as needed basis. The firm currently services audit clients in Arkansas, Oklahoma and Missouri.

The firm has significant experience in auditing and accounting for non-profit and governmental entities including cities, water districts, healthcare facilities and a variety of federal award programs.

The firm is licensed by the Arkansas State Board of Public Accountancy and the Missouri State Board of Public Accountancy and participates in the AICPA sponsored Quality Review Program. The firm has received a peer review rating of pass on our last review which was for the fiscal period ended June 30, 2018.

Your engagement will be assigned a partner from our West Plains, Missouri office along with an audit manager. The partner in charge of your engagement will be Jeff D. Welch, CPA, JD.

The following is a listing of the Firm's locations and respective hours of operation:

## ***Locations***

(Hours of Operation at each location are: 8:00 a.m. to 5:00 p.m. Monday through Friday)

### **Batesville Office**

410 Barnett Drive  
P.O. Box 2094  
Batesville, AR 72503  
Phone: 870-793-5231  
Fax: 870-793-7788

### **Salem Office**

103 N. Main  
P.O. Box 647  
Salem, AR 72576  
Phone: 870-895-3212  
Fax: 870-895-2998

### **West Plains Office**

1386 Bill Virdon Blvd.  
West Plains, MO 65775  
Phone: 417-256-6624  
Fax: 417-256-1171

[www.welchcouch.com](http://www.welchcouch.com)

## ***Statement of Work***

Jeff D. Welch, CPA, JD, is the representative of Welch, Couch & Company, PA who will be authorized to negotiate with South Central Workforce Investment Board regarding this potential contract. Mr. Welch's address is 1386 Bill Virdon Blvd, West Plains, Missouri 65775 and his phone number is (417) 256-6624.

The firm provides auditing services to a variety of entities including exempt organizations, governmental entities, for-profit companies, and pension plans. We have included in our proposal, under Other Audit Experience, a listing of governmental and nonprofit entities with which we have provided similar audit services as those requested; however, a listing of other types of audit entities to which we provide services can be made available upon request. A breakdown of services provided by type of entity is as follows:

### ***Exempt Organizations:***

We provide auditing and tax services for exempt organizations, several of which have federal programs that are audited under the Uniform Guidance. Four of these clients are large entities serving a wide geographic area and are funded through multiple federal and state sources with differing grant year ends. Our tax-exempt clients include hospitals, nursing homes, foundations, associations, and others.

### ***Governmental:***

We serve a variety of governmental entities, some of which have federal programs that are audited under the Uniform Guidance, including hospitals, nursing homes, municipalities, and proprietary utilities.

### ***For-Profit Companies:***

The firm also performs audits and tax services for for-profit companies. These include hospitals, real estate companies, contractors, and manufacturers.

### ***Pension Plans:***

Finally, we conduct pension audits for fifteen of our clients' defined contribution plans. These are primarily 401(k) and 403(b) plans.

The scope of the engagement will include evaluations and tests of internal controls and compliance with laws and regulations, both in terms of general accounting and bookkeeping matters and in terms of general and specific requirements of your programs, contracts, and agreements.

The objectives of the engagement will be to determine if the financial statements reflecting the financial position, results of operations, and cash flows are presented in conformity with Generally Accepted Accounting Principles and are presented in sufficient detail and readability to be usable by management, the Board, your funding sources, and certain outside users.

## ***Statement of Work (cont.)***

The objective of compliance testing is to determine that funds are being expended in accordance with the terms of the loan or other award agreement and to determine that funds are being expended in compliance with regulations. Similarly, the objective of our evaluation of the internal control structure is not to express an opinion on your internal control structure but rather to determine if there are certain weaknesses in your internal controls which might allow errors in your accounting and reporting to go undetected for extended periods of time.

It is our plan to begin fieldwork in August and have the final audit report submitted to you no later than December 2022. The final report will contain the auditor's report on the financial statements, the auditor's report on the study of internal control, and the auditor's report on compliance.

Welch, Couch & Company, PA maintains a firm commitment to the privacy and confidentiality of our clients. We believe that the business and personal goals of our clients must remain private and confidential. We are bound by professional standards and adhere to the highest ethical conduct regarding the use and transmission of client financial data. Our staff takes great care in protecting the anonymity of our clients.

## **Engagement Staff**

At Welch, Couch & Company, PA, our approach to providing service is to always ensure that our clients are working with experienced professionals. It is our philosophy that all too often accounting firms try to utilize inexperienced staff as a primary point of contact for clients, which leads to frustration on the part of the client and ultimately deliverance of subpar service. Welch, Couch & Company, PA prides itself on hiring and retaining qualified individuals with experience in governmental and non-profit accounting to ensure that we can stay responsive to any developments affecting our clients especially in the areas of federal award programs.

Your engagement will be managed from our West Plains office. Your audit will be assigned a partner, an audit manager, and a team of experienced staff members. The partner in charge, along with the audit manager, will serve as the primary contacts for any questions throughout the audit process. The engagement personnel assigned to service this contract along with a brief description of their qualifications and level of experience is detailed below.

### **Partner**

- **Jeff D. Welch, CPA, JD**

Jeff is a certified public accountant and an attorney licensed in the State of Arkansas. He has over eighteen years of public accounting experience working in the areas of auditing, taxation and business consulting. Prior to joining Welch, Couch & Company, PA, he worked for a respected regional accounting firm. Jeff has extensive experience in nonprofit and governmental accounting as well as federal income taxation of individuals, corporations, partnerships and trusts. His work includes auditing, business consulting, estate planning, business planning and structuring, and IRS representation. Jeff is a member of the American Institute of Certified Public Accountants and Arkansas Society of Certified Public Accountants. He has the required professional continuing education requirements contained in Chapter 3, General Standards.

### **Partner**

- **Rachel Pennywitt, CPA**

Rachel is a certified public accountant and is licensed in the State of Arkansas. She has been with Welch, Couch & Company, PA for sixteen years working in healthcare, nonprofit, and governmental auditing. Rachel has extensive knowledge of nonprofit and governmental auditing and accounting as well as audits in accordance with Uniform Guidance. Rachel is a member of the American Institute of Certified Public Accountants and Arkansas Society of Certified Public Accountants. She has the required professional continuing education requirements contained in Chapter 3, General Standards.

### **Audit Team Member**

- **Allen Brinkman, CPA**

Allen is a certified public accountant and is licensed in the State of Missouri. He has been with Welch, Couch & Company, PA for four years. Allen had over nine years of experience healthcare accounting, seven of which were with a local non-profit hospital system, prior to joining the firm. He was also the Finance Director of a local municipality for several years. He has the required professional continuing education requirements contained in Chapter 3, General Standards.



## **Audit Plan**

Upon notification of acceptance of our proposal and completion of our firm's normal client acceptance procedures, we will submit to management an engagement letter detailing the formal terms of the engagement. Additionally, prior to the beginning of fieldwork, we will schedule an audit entrance conference with the South Central Workforce Investment Board where we will provide the Organization's accounting department personnel in charge of gathering information a detailed list of the items we will need to conduct the audit. We will also be available to the accounting department personnel as needed to assist with any questions they might have regarding the requested information.

Our audit approach is a five step process that begins with an assessment of your internal control activities in an effort to determine the extent to which they can be relied on when designing our audit test. We typically accomplish this through the completion of a series of internal control questionnaires, observation techniques and performing walkthroughs in order to clarify our understanding of your internal control structure.

Once we have obtained an understanding of your Organization, its operating environment, and internal controls, we will begin the planning phase of the engagement. The planning process includes performing analytical procedures on current and prior years' financial data, establishing a planned level of materiality and designing specific audit procedures.

Based upon our preliminary analysis and audit plan, we will design substantive audit tests utilizing a combination of sampling techniques, analytical procedures, significant items testing and a combination of other testing alternatives. Generally, we do not find a need to examine 100% of all transactions in order to issue our opinion.

In order to ensure the utmost quality of our audit, the engagement undergoes a review of the audit workpapers and financial statements by the partner in charge of the engagement and another member of the firm's audit staff before issuance.

At the conclusion of the audit, we will conduct a formal exit conference with members of management and the audit committee in order to discuss our findings and any related adjustments, and to review a draft copy of the audit report and related financial statements no later than mid-November 2022. The partner in charge of the engagement presents the full audit report to the board of directors at a formal board meeting on a predetermined date as stipulated by you, the client but no later than the end of January 2023.

## **Project Cost**

Based on proposed hours to complete the audit, we are willing to perform your 2021-2022 Program Year Audit for a fee of \$12,500.

Welch, Couch & Co, will have to re-evaluate capacity on an annual basis prior to accepting that year's audit. If we are able to engage for subsequent years, the additional years' fees would be as follows:

Program Year – 2022-2023	\$13,800
Program Year – 2023-2024	\$15,200

## Other Audit Experience

### *Prior Auditing Experience (Federal Awards)*

Our auditing experience includes the following federal programs:

Headstart	Community Services Block Grant
Home Energy Assistance	Weatherization Assistance
Child & Adult Care Food Program	Aging Program Cluster (Title III)
Social Services Block Grant	Child Care and Development Fund
Temporary Emergency Food	Adult Education
Federal Transit Admin Grant	Workforce Investment Act (WIA)
Intermediary Relending Program	Revolving Loan Fund Program
HUD-Mortgage Insurance	USDA-Community Facilities Grants
Supportive Housing Program	Block Grants for Community Mental Health Services
Block Grants for Prevention and Treatment of Substance Abuse	

Though specifically excluded from the definition of federal awards, several of our nonprofit clients administer large Medicaid programs for such services as the following:

Home Delivered Meals	Respite Care
Personal Care	Homemaker
Transportation	

### *Prior Auditing Experience (Clients with Multiple Federal and State Funding)*

- **White River Planning and Development District, Inc.**

This is an audit under the Uniform Guidance, *Government Auditing Standards*, and DHS Guidelines and includes primarily funding from the U.S. Department of Labor's WIOA Programs, the USDA, and the Department of Health and Human Services Child Care Programs. It includes audits of related organizations which receive indirect costs pass-through.

Ms. Jan Smith, Executive Director  
P.O. Box 2396  
Batesville, AR 72503  
Phone: (870) 793-5233

- **Employment and Training Services, Inc.**

This is an audit under the Uniform Guidance, *Government Auditing Standards* and includes primarily funding from the United States Department of Labor's WIOA Programs.

Mr. James Morgan, Executive Director  
2805 Forest Home Road  
Jonesboro, AR 72401  
Phone: (870) 932-1564



Peer Review  
Program

March 20, 2019

John Welch  
Welch, Couch & Company, PA  
410 Barnett Dr  
Batesville, AR 72501-8934

Dear John Welch:

It is my pleasure to notify you that on March 20, 2019, the Arkansas Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2021. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Marsha Moffitt  
Peer Review Manager  
mmoffitt@arcpa.org 501-664-8739  
Arkansas Society of CPAs

cc: Tamara Honeycutt

Firm Number: 900010011185

Review Number: 560110



**GOAD & COMPANY, PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS

[www.goadandcompany.com](http://www.goadandcompany.com)

James W. Goad, CPA  
Tamara D. Honeycutt, CPA

Brenna K. Boone, CPA  
Bryce E. Goad  
Cindy W. Gulley

## Report on the Firm's System of Quality Control

January 17, 2019

To the Shareholders of Welch, Couch & Company, PA  
and the Peer Review Committee of the  
Arkansas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Welch, Couch & Company, PA (the firm) in effect for the year ended June 30, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and an audit of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### **Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Welch, Couch & Company, PA in effect for the year ended June 30, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Welch, Couch & Company, PA has received a peer review rating of *pass*.

### ***Goad & Company***

Goad & Company, PLLC

## ***Equal Employment Opportunity Policy***

Welch, Couch & Company, PA is an equal opportunity employer, without regard to race, color, religion, gender, age, national origin, or disability. Welch, Couch & Company, PA is committed to a policy of affirmative action in promoting equal employment opportunity. The policy applies to all matters pertaining to employment, such as recruiting, hiring, training, on-the-job treatment, and promotion, as well as to the administration of compensation plans, benefit plans, and other programs which affect the firm.

## ***Drug-Free Workplace Policy***

The responsibility for a healthy and productive work environment demands implementation of programs and services designed to prevent employee alcohol and drug abuse. In order to meet these responsibilities, Welch, Couch & Company, PA prohibits the illegal use, possession, manufacture, dispensing, or distribution of alcohol, drugs, or controlled substances in the workplace, on its premises, or as part of any Welch, Couch & Company, PA sponsored activity. Violation of this policy is considered a major infraction which can result in a requirement for satisfactory participation and completion in a drug or alcohol rehabilitation program, criminal prosecution, and/or immediate disciplinary action, including termination of employment.