Top Management Challenges Facing the Department of Labor
November 2014

As of November 2014, the OIG considers the following as the most serious management challenges facing the Department:

- Protecting the Safety and Health of Workers
- Ensuring the Safety of Students and Staff at Job Corps Centers
- Helping Unemployed Adults, Youth and Veterans Obtain Skills, Training, and Services That Result in Training-Related Job Placements
- Protecting the Security of Retirement, Health, and Other Benefit Plans for Workers, Retirees, and Their Families
- Reducing Improper Payments
- Securing and Managing Information Systems

CHALLENGE: Protecting the Safety and Health of Workers

BACKGROUND

The Department administers the Occupational Safety and Health Act of 1970 (OSH Act) and the Federal Mine Safety and Health Act of 1977 (Mine Act), as amended by the Mine Improvement and New Emergency Response Act of 2006 (MINER Act). DOL's effective enforcement of these laws is critical toward ensuring the workplace safety of our nation's workers.

The two DOL agencies primarily responsible for enforcing these laws are the Occupational Safety and Health Administration (OSHA) and the Mine Safety and Health Administration (MSHA). OSHA is responsible for assuring safe and healthful working conditions for 130 million workers at more than eight million establishments. MSHA is responsible for the safety and health of more than 350,000 miners who work at more than 14,500 mines.

CHALLENGE FOR THE DEPARTMENT

The Department faces challenges in determining how to best use its limited resources to help ensure the safety and health of workers, particularly in high-risk industries such as construction, forestry, fishing, agriculture, and mining.

Recent OIG audits have found that OSHA did not always effectively target and inspect the highest risk industries and worksites, primarily because it lacks outcome-based data needed to determine the effectiveness of its programs.

OSHA is also challenged to ensure the fairness, efficiency, effectiveness, and transparency of its Whistleblower Protection Program. Workers who "blow the whistle" on unsafe or unhealthy workplace practices are essential to ensuring that employers abide by worker safety and health laws.

MSHA continues to struggle to meet its statutory mine inspection requirements and other enforcement responsibilities, such as protecting the rights of miners who report workplace safety and health concerns. At MSHA, this challenge is made even more difficult by the demands of maintaining a cadre of experienced, diverse and properly trained enforcement staff. Almost 40 percent of MSHA's health and safety personnel are eligible to retire by 2017. This is a particularly pressing issue given the nearly 2 years it takes to train new mine inspectors. MSHA is also challenged by the underreporting of occupational injuries and illnesses by mine operators. This reporting helps MSHA to focus its resources on mines that have elevated accident and injury rates.

DEPARTMENT'S PROGRESS

OSHA and MSHA are looking at ways to change the way they do business as part of their efforts to better use their limited resources. In this regard, the Department initiated a multi-year study of OSHA's Site Specific Targeting program to assess the impact of program interventions on future employer compliance. The study is scheduled to be completed by the end of calendar year 2015. Over the past 2 years, OSHA introduced 10 new performance measures for monitoring State Plans, one of which is intended to help OSHA determine the effectiveness of State Plan inspection targeting. OSHA stated it received funding for 16 new positions in its whistleblower budget for Fiscal Year 2014 and used the positions to establish whistleblower dedicated Assistant Regional Administrator positions in its regions.

MSHA stated that its efforts included enhancing its outreach and education to the mining community by focusing on the causes of recent fatalities at metal and nonmetal mines; completing corrective actions that address the recommendations from reviews conducted following the Upper Big Branch mine accident; improving its process for reviewing, approving and overseeing coal mine roof control plans; publishing an updated Accountability Program Handbook; continuing the impact inspection program; implementing the final Coal Mine Examination Rule, which requires underground coal mine operators to find and fix unsafe conditions in working areas; and implementing its Pattern of Violations rule. MSHA also stated that it has developed a succession plan for FY 2013-2017 and is implementing key strategies for leadership development such as training, mentoring, and detailing employees to developmental detail assignments. To detect and deter underreporting of accidents and injuries, MSHA reported that it conducts education, training programs, and outreach efforts to educate miners about their rights under the Mine Act. Finally, MSHA stated it is developing a strategy to address mine operator programs and practices that it believes may discourage reporting.

WHAT REMAINS TO BE DONE

OSHA's existing and new performance measures focus on activities; it needs to continue its efforts to develop metrics that reflect impact of its enforcement efforts on workplace safety and health. When its study of the Site Specific Targeting Program is completed, OSHA needs to analyze the study results and use them to improve its targeting efforts. Similarly, OSHA needs to evaluate its 10 new performance measures to identify the measures that are having a positive impact on improving worker safety and health. While OSHA has implemented timeliness measures for its Whistleblower Program, it needs to develop performance measures or indicators that focus on whether the program is working as intended and complaints are thoroughly investigated.

MSHA needs to continue taking action to improve oversight of its Management Accountability Program, strengthen its roof control plan review and monitoring process, and improve its process for investigating mine operators who knowingly fail or refuse to comply with an order issued by MSHA issues or who violate mandatory health or safety standards. MSHA also needs to enhance its knowledge of the underreporting of accidents, injuries and illnesses by mine operators and use this knowledge to finalize its strategy to address mine operator programs and practices that discourage reporting.

CHALLENGE: Ensuring the Safety of Students and Staff at Job Corps Centers

BACKGROUND

The Job Corps program provides residential and nonresidential education, training, and support services to approximately 60,000 disadvantaged, at-risk youths, ages 16-24, at 125 Job Corps centers nationwide. The goal of this $1.6 billion program is to offer an intensive intervention to this targeted population as a means to help them turn their lives around and prevent a life-time of unemployment, underemployment, dependence on social programs, or criminal behavior.

CHALLENGE FOR THE DEPARTMENT

Improving the quality of residential life, a critical component of the Job Corps' intensive intervention experience, remains a challenge for the Department. Ensuring the safety of Job Corps' students and staff by addressing serious student misconduct (e.g., assault, illegal drugs, and theft) has been on an ongoing challenge for many years. In 1995, Jobs Corps instituted a "zero tolerance policy" for drugs and violence. However, enforcement of the zero tolerance policy has eroded and recent OIG audits have disclosed that some centers did not take appropriate disciplinary action for serious student misconduct. Contract awards to operate Job Corps centers rely heavily on past performance in areas such as graduation rates and operating centers at or near capacity, and provide a disincentive for centers to comply with the zero tolerance policy.

The Department is also challenged in dealing with Centers' physical maintenance needs and promptly correcting center safety and health hazards. In 2013, we reported that Job Corps did not always ensure the timely repair of critical and funded maintenance deficiencies at its centers, which exposed students, staff, and visitors to potential safety and health hazards. We also identified $32.9 million in unused maintenance funds that were expired or were approaching expiration because Job Corps had not effectively managed these funds.

DEPARTMENT'S PROGRESS

Job Corps indicated that it has recently begun to take steps to address safety issues at its centers. Job Corps stated that it instructed its regional offices to take immediate action to ensure centers are enforcing the program's zero tolerance policy. In addition, Job Corps reported that is developing a comprehensive center safety profile intended to provide management staff with current data on significant incident reports and comments and concerns expressed by students or the public regarding center safety. Job Corps stated that regional office staff has been instructed to conduct unannounced monitoring visits to centers with a focus on high-risk or low performing centers. Job Corps also stated that it is in the process of developing a risk management assessment tool to help program managers identify centers with a higher level of programmatic risk, including factors such as safety and student conduct. In response to concerns about the underreporting of data regarding student conduct infractions and dispositions, Job Corps reported that it has conducted training on entering complete and accurate data in a timely manner into its Center Information System.

The Department is in the process of making changes to Job Corps' Policy and Requirements Handbook to ensure maintenance deficiencies are accurately identified, repaired, and executed in a timely manner, including completion of "Funded-Not-Corrected" projects within one year from issue. The Department is also developing new controls and reporting, as well as reinforcing existing controls, to track contractor expenditures against submitted spending plans.

WHAT REMAINS TO BE DONE

To provide a safe and healthful center environment for Job Corps students and staff, the Department needs to expeditiously implement the various initiatives it has recently begun to protect the safety of its students. After these initiatives have been implemented, the Department must be more vigilant in its monitoring to ensure center operators and Regional Office staff enforce Job Corps' zero tolerance policy. The Department also needs to examine whether its admissions screening process is adequately vetting the youth who apply for admission to the program.

Regarding the physical maintenance needs at Job Corps centers, the Department needs to improve its management processes to ensure maintenance deficiencies are identified, tracked, and repaired appropriately and timely, and better monitor and track the status of funds obligated for center repairs to ensure funds are used for the intended purposes.

CHALLENGE: Helping Unemployed Adults, Youth, and Veterans Obtain the Skills, Training, and Services That Result in Training-Related Job Placements

BACKGROUND

In Fiscal Year 2014, the Department's Employment and Training Administration (ETA) was appropriated $1.8 billion for grants to States for Workforce Investment Act Adult, Dislocated Worker, and Youth programs. ETA also operates the Job Corps program, spending $1.6 billion dollars annually to provide residential and nonresidential education, training, and support services to approximately 60,000 disadvantaged, at-risk youths (ages 16-24), at 125 Job Corps centers nationwide.

The Veterans' Employment and Training Service (VETS) assists veterans in obtaining and maintaining civilian employment through its Jobs for Veterans State Grants Program. Administered by State Workforce Agencies, this program provides intensive services to disabled and other eligible veterans, conducts outreach to employers, and engages in advocacy efforts to increase employment opportunities for veterans.

CHALLENGE FOR THE DEPARTMENT

The Department remains challenged to ensure that its job training programs and other employment services are helping those in need to obtain suitable employment. This challenge is made even more difficult by the lack of reliable outcome data.

Relating primarily to discretionary grants, our audit work over several decades has documented the difficulties encountered by the Department in its job training programs. These problems include difficulties in obtaining quality employment and training providers, not providing active oversight of the grant making and grant execution process; and training provided by grantees that did not lead to marketable skills or industry-recognized credentials. Similarly, our work in Job Corps has found that its graduates are often placed in jobs unrelated to the vocational training they received or in jobs that required little or no training.

The Department also faces challenges in obtaining accurate and reliable data needed to measure the success of grantees, contractors, and states in meeting program goals. A 2014 Government Accountability Office report on Workforce Investment Act (WIA) training outcome data concluded that data on credential attainment and training-related employment can potentially provide more meaningful information on the value of training services. However, collecting data on these outcomes can be resource-intensive, in part because there is no single readily available source of data.

Meeting the employment needs of veterans returning to civilian life after the recent conflicts in Iraq and Afghanistan remains a challenge for the Department. The Department estimates that about 90 percent of future participants served by its Jobs for Veterans State Grants program will require intensive services, such as career planning and assessment and referrals to job training and support services. A lack of reliable data prevents VETS from determining how well States are meeting veterans' needs by providing services that lead to good jobs.

DEPARTMENT'S PROGRESS

On July 22, 2014, the President signed the Workforce Innovation and Opportunity Act (WIOA), which replaced the Workforce Investment Act of 1998. Due to take effect in July 2015, WIOA contains provisions intended to improve accountability by updating the performance measures used by federally funded workforce training programs. For example, the Act creates a single set of common measures for adults across all core programs authorized under the bill, including both occupational training and adult education programs, and a similar set of common measures across all youth serving programs authorized under the bill. Adult measures include unsubsidized employment, median earnings, receipt of a secondary diploma or recognized postsecondary credential, measurable skills gains toward a credential or employment, and employer engagement.

ETA now expects to receive the first evaluation report on implementation from its WIA Gold Standard Evaluation, originally due in summer 2014, by March 2015, the first impact findings in October 2015, and the final impact findings in December 2016. Through this evaluation, ETA intends to measure the net impact of specific interventions, such as the incremental effects of intensive and training services provided to adults and dislocated workers. ETA also created a Performance Reporting Workgroup to identify recommendations for specific steps that ETA can take to clarify grantee data collection and reporting expectations.

As part of its ongoing efforts to improve the oversight and performance tracking of grants, ETA reported that it is working on an Enhanced Desk Monitoring Review process and recently began updating its Core Monitoring Guide. ETA also stated that it has updated all grant agreements to ensure that all performance outcome information is clearly required to be reported.

Job Corps indicated that it is continuing its efforts to improve the quality of program services and achieve better outcomes for the students it serves. These efforts include implementing a standards-based system of teaching and learning, and identifying and replicating the practices of high-performing centers. To improve its reported performance data, Job Corps stated it has updated its Job Training Match Crosswalk to align with the revised DOL O*NET-Standard Occupational Classification database, which characterizes all jobs in the U.S. labor market.

VETS reported that it has directed states to provide more oversight to ensure that veterans with significant barriers to employment are getting the assistance they need, and issued clarifying guidance about providing and documenting intensive services to veterans with significant barriers to employment. ETA is piloting the Enhanced Outreach and Employment Services for Army Unemployment Compensation for Ex-Service Members in four states. The goal of this initiative is to improve outreach, exposure to jobs, and reemployment strategies for unemployed veterans.

WHAT REMAINS TO BE DONE

The Department needs to issue regulations to implement the provisions of the WIOA. It needs to ensure that the WIA Gold Standard Evaluation experiences no additional delays and use the results of the evaluation to identify those services that are having a positive impact on participants' ability to obtain good jobs. After the Performance Reporting Workgroup has completed its efforts, the Department needs to implement the recommended actions for improving data reliability.

In Job Corps, the Department needs to increase its oversight of under-performing training programs by improving its monitoring, and by more effectively using performance improvement plans, center assessments, and other oversight activities.

The Department should continue to pursue statutory access to the National Directory of New Hires. Such access would streamline the process of obtaining earnings data needed to assess the impact of services provided by ETA, VETS and other agencies within the Department. The Department should also consider conducting a longitudinal study, similar to the WIA Gold Standard Evaluation, of the job counseling, training, and placement services for veterans provided by the Department. Such a study could provide a better understanding of the impact of the Department's services on the employment outcomes of veterans.

CHALLENGE: Protecting the Security of Retirement, Health, and Other Benefit Plans for Workers, Retirees, and Their Families

BACKGROUND

The mission of the Department's Employee Benefits Security Administration (EBSA) is to protect the security of retirement, health, and other private-sector employer-sponsored benefit plans for America's workers, retirees, and their families. EBSA is responsible for administering and enforcing the fiduciary, reporting, and disclosure provisions of Title I of the Employee Retirement Income Security Act (ERISA). The agency is charged with protecting about 142 million workers, retirees and their families who are covered by nearly 684,000 private retirement plans, 2.4 million health plans, and similar numbers of other welfare benefit plans which together hold estimated assets of $7.2 trillion.

CHALLENGES FOR THE DEPARTMENT

EBSA's limited authority and resources present challenges in achieving its mission of administering and enforcing ERISA requirements protecting approximately 142 million participants and beneficiaries. An important part of EBSA's mission is to deter and correct violations of ERISA through a strong enforcement program to ensure workers receive promised benefits. Given the number of plans that the agency oversees relative to the number of investigators, EBSA has to devise ways to focus its available resources on investigations, audits and other reviews that it believes will most likely result in the deterrence, detection, and correction of ERISA violations. In order to do so, EBSA must determine which of its enforcement initiatives are the most effective.

For many years, EBSA's oversight efforts have been challenged by the fact that billions in pension assets held in otherwise regulated entities, such as banks, escape audit scrutiny. ERISA authorizes these institutions to obtain so-called "limited scope audits," presumably because they are being audited by other entities for other purposes. As a result, the independent public accountants that conduct their audits express "no opinion" on the financial statements of the assets they hold on behalf of plans. These limited scope audits weaken assurances to stakeholders and may put retirement plan assets at risk because they provide little or no confirmation regarding the existence or value of plan assets. These concerns were renewed and heightened by recent audit findings that as much as $3.3 trillion in pension assets received these types of limited scope audits.

EBSA is further challenged by the large increase in the types and complexity of investment products available to pension plans. In particular, since 2010, the Department has been working on the so-called "conflict of interest -- fiduciary investment advice rule." This conflict of interest rule is intended to ensure workers enrolled in retirement plans can be assured the investment advice they receive is delivered with their best interest in mind by broadening the definition of investment advice fiduciary for ERISA plans and individual retirement accounts, and by reducing the opportunities for financial conflicts of interest to compromise the impartiality of investment advice in the retirement savings marketplace.

DEPARTMENT'S PROGRESS

As an initial step in developing performance metrics to measure the effectiveness of its enforcement program, EBSA implemented a broad Sample Investigation Program (SIP) in FY 2011. Now in its fourth year, the SIP is designed to measure overall compliance with ERISA and the impact of ERISA investigations on compliance rates. In addition, EBSA stated that data collected by the SIP will be used to evaluate the effectiveness of EBSA's enforcement targeting strategies, as well as the impact of investigations on plan compliance. EBSA reported that it processed 376 SIP cases through 2013, and will continue to analyze and expand the compliance data already collected.

WHAT REMAINS TO BE DONE

EBSA needs to analyze violation trends as an additional methodology to help guide its resource allocation strategies.

EBSA should concentrate on issuing final regulations on the so-called "conflict of interest rule" and continue its work to obtain legislative changes repealing the limited-scope audit exemption. In the interim, EBSA should continue to expand upon its existing authority to clarify and strengthen limited scope audit regulations and evaluate the ERISA Council's recommendations on the issue.

CHALLENGE: Reducing Improper Payments

BACKGROUND

In its Fiscal Year (FY) 2014 Agency Financial Report, the Department estimated the Unemployment Insurance (UI) benefit program made $5.60 billion in improper payments and identified it as susceptible to significant improper payments. The leading cause of UI overpayments is claimants who have returned to work and continue to claim UI benefits. OIG investigations continue to uncover fraud committed by individual UI recipients who do not report or underreport earnings, as well as fraud related to fictitious employer schemes.

The cluster of Workforce Investment Act (WIA) grant programs (Adult, Youth, and Dislocated Workers) and the FECA benefit program have been classified as at-risk of significant improper payments by OMB former Circular No. A-11, Section 57; however, the Department's annual risk assessments have not supported the at-risk designations.

CHALLENGE FOR THE DEPARTMENT

OMB has designated the Unemployment Insurance (UI) program as being particularly at risk for improper payments, and the Department's ability to identify and reduce UI improper payments continues to be a challenge.

The Department also remains challenged in identifying the full extent of improper payments in the FECA and WIA programs. As highlighted in past OIG audits, estimation methods used in prior years for the FECA program did not appear to provide a reasonable estimate of improper payments. Without this information, the Department cannot implement the appropriate corrective actions that will reasonably assure taxpayers' funds are adequately safeguarded. In addition, DOL OIG investigations continue to identify significant amounts of FECA compensation and medical fraud, which has often surpassed the Department's improper payments estimates. For the WIA program, data are not readily available to allow the Department to directly sample grant payments and develop a statistically valid estimate of improper payments.

DEPARTMENT'S PROGRESS

The Department continues to work with states to implement a number of strategies to improve the prevention, detection and recovery of UI improper payments. Among numerous other initiatives, the Department has launched a website that clearly identifies each state's estimated UI improper payment rate and payments over a 3-year period, as well as each state's progress in implementing the identified improper payment strategies. The Department has also undertaken the "Improper Payment High Priority States" initiative to reduce the UI improper payment rate in those states with unacceptably high levels over a prolonged period. In addition, the Department established a UI Integrity Center of Excellence. Over the next three years, the Center plans to develop, implement, and promote innovative program integrity strategies to reduce improper payments, including the prevention and detection of fraud, in the UI program. In addition, the Center plans to provide products to help states improve their integrity operations and offer states on-site technical assistance to identify operational changes for improving program integrity.

With respect to improper payments in the FECA program, in FY 2014 the Department implemented a new, OMB-approved methodology for estimating the FECA improper payment rate and will report the FECA improper payment rate on an annual basis. In addition, OWCP stated that it is developing a Program Integrity Unit with auditors and data analysts to provide greater oversight and analysis of payment accuracy. OWCP has also contracted with a data analytics firm to build agency capacity in this area.

In the WIA programs, the Department stated that it has attempted to identify the full extent of improper payments by including estimates from other sources.

WHAT REMAINS TO BE DONE

The Department needs to employ cost benefit and return on investment analyses to evaluate the impact of its improper payment reduction strategies for UI. The Department can further improve oversight of the states' detection and prevention of UI overpayments by increasing the frequency of on-site reviews at State Workforce Agencies. In addition, the Department needs to continue pursuing legislation to allow states to use a percentage of recovered UI overpayments to detect and deter benefit overpayments.

The Department also needs to assess the validity of the FECA overpayment estimates resulting from its new estimation methodology and make adjustments as needed for future estimates.

Finally, the Department needs to continue working with OMB to properly classify the individual grant programs authorized under the newly enacted Workforce Innovations and Opportunities Act. Since data are not readily available to allow the Department to develop a statistically valid improper payments estimate by directly sampling grant payments, the Department needs to consider other sampling methods. Further, the Department needs to provide full disclosure in the Agency Financial Report regarding the limitations of the data used to estimate WIA overpayments.

CHALLENGE: Securing and Managing Information Systems

BACKGROUND

More than 50 of the Department of Labor's major information systems contain sensitive information that is central to its mission and to the effective administration of its programs. DOL systems are used to analyze and house the nation's leading economic indicators, such as the unemployment rate and the Consumer Price Index. They also maintain critical data related to the Department's financial activities, enforcement actions, worker safety, health, pension, and welfare benefits, job training services, and other worker benefits.

CHALLENGE FOR THE DEPARTMENT

Safeguarding data and information systems is a continuing challenge for all Federal agencies, including DOL. Recent OIG audits have identified deficiencies in configuration management and account management, as well as security and access controls weaknesses in key departmental financial and non-financial systems. These deficiencies can pose an increased risk to the security of data and information maintained in DOL systems. As the Department continues moving applications to a cloud environment, it must address challenges identified by the Council of Inspectors General on Integrity and Efficiency's (CIGIE) 2014 review of cloud computing. The CIGIE found that Federal agencies have not fully considered Federal guidance and best practices; contracts lacked detailed specifications as suggested in the Federal cloud computing guidelines and best practices documentation; and agencies did not have an accurate and complete inventory of their cloud systems. The Department has not resolved the concern that data downloaded through a remote connection, which may contain personally identifiable information, is not being tracked and managed in accordance with OMB M-07-16, "Safeguarding Against and Responding to the Breach of Personally Identifiable Information. This OMB memorandum requires the Department to log all computer-readable data extracts from databases holding sensitive information and verify each extract, including whether sensitive data has been erased within 90 days or its use is still required.

The Department has also faced challenges in managing its financial system, New Core Financial Management System (NCFMS). The contractor that owned and operated NCFMS and owned the DOL financial data filed for bankruptcy protection on September 4, 2014. In anticipation of the contractor's insolvency, the Department devoted considerable resources during the summer for contingency planning in the event that the Department would not have complete access to critical data. We issued a report recommending certain measures to strengthen the contingency planning efforts. In addition, the Department was forced to make unexpected expenditures totaling $23 million over 25 months to procure software, hardware and the DOL data to continue to maintain the financial system following the contractor closing down.

DEPARTMENT'S PROGRESS

The Department has made progress in establishing risk mitigation as a priority via its Risk Management program. The Office of the Chief Information Officer (OCIO) established Priority Security Performance Metrics and began measuring agency progress on achieving these metrics resulting in the remediation and closure of 93% of prior year findings. The Department stated there were multiple new initiatives completed within the previous fiscal year, such as updating the DOL Computer Security Handbook and implementing its enterprise monitoring tool, Tivoli Endpoint Manager for Security and Compliance (known as BigFix), automating DOL inventory, vulnerability and configuration management processes. In addition, the Department stated it has acquired an enterprise information technology (IT) system monitoring tool to assist in configuration management, vulnerability assessment, and accounting for the inventory of electronic devices connecting to each IT system. Finally, the Department reported that is has made considerable progress in consolidating its data centers and implementing its personal identity verification (PIV) card logon program.

In response to our audit work, the Department made improvements to the contingency planning for the financial management system. The Department also worked with the General Services Administration to effectuate the procurement of the software, hardware and data from the now-defunct contractor. The bankruptcy court has approved the transaction, and operations have transitioned to a federal shared services provider.

WHAT REMAINS TO BE DONE

DOL needs to continue to reduce its IT footprint by completing its data center consolidation efforts and reducing the number of external connections. The Department must take steps to ensure its processes for managing applications and information in cloud computing environments are updated and institutionalized in the form of department wide policies and procedures. The Department needs to continue its efforts to implement the OMB M-07-16 requirement to log/verify data extracts and the PIV logon program. Most importantly, a greater presence in IT system security is needed at the Executive Level; continuing current Risk Management and Continuous Monitoring Program processes will assist in that effort as Executives become integral to the discussion and understanding of their IT security risks and control weaknesses, including setting mitigation priorities.

The Department will need to accelerate its transition planning and funding to meet the unexpected costs incurred with the NCFMS contractor's insolvency. The Department will need to closely monitor the operation of the financial system for the foreseeable future to ensure that it is operating effectively.

CHANGES FROM LAST YEAR:

Changes to the 2013 Top Management Challenges report include combining of the challenge related to miner safety and health into one challenge on worker safety and health. Similarly, the 2013 report contained separate challenges for Workforce Investment Act grants, the Job Corps program, and Veterans Employment and Training Service programs. The 2014 report contains one challenge describing the difficulties the Department faces in providing unemployed adults, youth and veterans with job training programs and other employment services that help them to obtain suitable employment. In 2014, "Ensuring the Safety and Health of Job Corps Students and Staff" is reported as a separate challenge.