

BRIEFLY...

Highlights of Report Number: 04-03-003-03-340, a report to the Assistant Secretary, Employment and Training Administration. May 5, 2003.

WHY READ THE REPORT

On July 1, 2000, Title I of the Workforce Investment Act (WIA) replaced the Job Training Partnership Act (JTPA) as the main Federal law to provide skills training and job search assistance to eligible youth and adults. To facilitate the transition to WIA, the Department of Labor's Employment and Training Administration (ETA) issued guidance to states on how to properly close out their JTPA grants. By evaluating the closeout process, OIG has helped ETA identify how states can improve their monitoring of federally funded employment training programs.

WHY OIG CONDUCTED THE EVALUATION

The OIG evaluated the closeout of JTPA in a sample of states, including Texas. Our objective was to determine if Texas: (1) closed its JTPA grants on a timely basis, according to ETA instructions; (2) reported amounts in the closeout packages and/or the final costs reports that were reasonable and supported by accounting records; and (3) whether there were any unresolved audit findings related to JTPA awards.

OIG contracted with independent auditors to help with the evaluation. The auditors used agreed-upon procedures in examining the JTPA funds awarded from July 1, 1997, through June 30, 2000. They looked at grant activities on the final closeout reports submitted by Texas and two subrecipients, Alamo Workforce Development, Inc. and Upper Rio Grande Workforce Development Board.

READ THE FULL REPORT

The full report, including the scope, methodology, and agency response, is available on the Internet at:

<http://www.oig.dol.gov/public/reports/oa/2003/04-03-003-03-340.pdf>

MAY 2003

OIG EVALUATES CLOSEOUT PRACTICES APPLIED TO JTPA GRANTS AWARDED TO STATE OF TEXAS

WHAT OIG FOUND

Texas submitted its JTPA closeout package to ETA on November 2, 2001, after requesting and receiving an extension through October 31, 2001. OIG obtained the final JTPA expenditures reported on the closeout report, and found that the expenditures reported reconciled to the state's accounting records. In addition, the final expenditures reported were reasonable based on amounts previously reported on final Financial Status Reports (FSRs).

The JTPA program was audited as a major program in the State's single audits for State Fiscal Year (SFY) 1999 and SFY 2000. The SFY 2000 single audit report included one unresolved (prior year) finding pertaining to the JTPA program. The auditors found that the Texas Workforce Commission was unable to find certain equipment purchased with Federal funds by the University of Texas at El Paso, and that other property was not tagged. The auditors indicated that they would follow up on the finding in the subsequent year.

We also visited three subrecipients, and found that final expenditures reported to the State reconciled to the subrecipients' accounting records.

The Texas Department of Job and Family Services provided a written response to the OIG draft report. Texas agreed with our findings.