

BRIEFLY...

Highlights of Report Number: 04-03-013-03-340, 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 closeout JTPA grants. By evaluating the closeout process, OIG has helped ETA to identify ways that states can improve how they monitor federally funded employment training programs.

WHY OIG CONDUCTED THE EVALUATION

The OIG evaluated the closeout of JTPA in a sample of states, including the Commonwealth of Pennsylvania. Our objective was to determine if Pennsylvania: (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 our evaluation. The auditors applied agreed-upon procedures in examining JTPA funds awarded to Pennsylvania by ETA from July 1, 1997, through June 30, 2000. They looked at grant activities on the final closeout reports of the state and two subrecipients, Franklin-Adams Employment and Training Consortium and the County of York.

READ THE FULL REPORT

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

<http://www.oig.dol.gov/public/reports/oa/2003/04-03-013-03-340.pdf>

MAY 2003

OIG EVALUATES CLOSEOUT PRACTICES APPLIED TO JTPA GRANTS AWARDED TO PENNSYLVANIA

WHAT OIG FOUND

Pennsylvania submitted its JTPA closeout package to ETA on December 28, 2000. We found that final JTPA expenditures reported on the closeout report matched the Commonwealth's accounting records. We also found that these expenditures were reasonable, based on amounts previously reported to ETA.

The JTPA program was audited as a major program in the Commonwealth's single audits for State Fiscal Year (SFY) 1999, SFY 2000 and SFY 2001. The SFY 2001 single audit report included one unresolved finding pertaining to the JTPA program.

In this finding, the auditors reported that the Labor and Industry Federal Accounting Division (L&I) did not follow its remedial plan to ensure the subrecipients received annual single audits, as required by Office of Management and Budget (OMB). They also stated that Pennsylvania was not doing enough monitoring to ensure that high-risk subrecipients not submitting audit reports were administering JTPA programs in compliance with Federal regulations.

We visited two subrecipients, and found that final expenditures reported to the Commonwealth reconciled to the subrecipients' accounting records.

The Department of Labor and Industry's written response included comments related to the OIG's discussion of the unresolved single audit findings