

# BRIEFLY...

Highlights of Report Number: 04-03-018-03-340, 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 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 Iowa. Our objective was to determine if Iowa: (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 who used agreed-upon procedures in examining JTPA grants awarded to Iowa from July 1, 1997, through June 30, 2000. They looked at grant activities on the final closeout reports submitted by the state and two subrecipients, Central Iowa Employment and Training Consortium and Hawkeye Community College.

## 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/2003/04-03-018-03-340.pdf>

MAY 2003

# IOWA'S CLOSEOUT OF JTPA SHOWS WEAK ACCOUNTING RECORDS

## WHAT OIG FOUND

Iowa submitted its JTPA closeout package to ETA on December 29, 2000. We reviewed the report, and found that the amounts were reasonable, based on data previously reported to ETA.

However, the auditors found a lack of evidence to show that the State's accounting records supported the JTPA expenditures reported to ETA. The State's official accounting system did not record expenditures by program. Although the State provided off-ledger financial records, there was no audit trail. During the period from July 1, 1997, through June 30, 2000, the State of Iowa received \$38.4 million in JTPA grants and reported \$35.5 million in expenditures.

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

The Iowa Workforce Development Department generally did not agree with the OIG's findings. However, its written response did not include any new information that would change the findings as reported.