

# BRIEFLY...

Highlights of Report Number: 04-03-019-03-340, 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 California. Our objective was to determine if California: (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 to examine JTPA funds awarded to California 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, the City of Los Angeles and the San Diego Workforce Partnership Inc.

## 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/2003/04-03-019-03-340.pdf>

MAY 2003

# OIG EVALUATES CLOSEOUT PRACTICES APPLIED TO JTPA GRANTS AWARDED TO STATE OF CALIFORNIA

## WHAT OIG FOUND

California submitted its JTPA closeout package to ETA on June 29, 2001, after requesting and receiving an extension through June 30, 2001. We found the expenditures on the closeout report reconciled with the State's accounting records and were reasonable.

The JTPA program was audited as a major program in the State's single audits for State Fiscal Year (SFY) 1999 and SFY 2000. We found that the SFY 2000 single audit report included two unresolved findings pertaining to the JTPA program.

In the first finding, the auditors reported that the State's general ledger system did not identify expenditures by Federal program; therefore, the Schedule of Expenditures of Federal Awards was not prepared as required by Office of Management and Budget, Circular A-133. In the second finding, the auditors reported that certain State level costs were allocated to Federal programs based on estimates rather than on actual costs incurred.

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

California generally agreed with our findings.