

BRIEFLY...

Highlights of Report Number: 21-04-001-03-365, a report to the Assistant Secretary, Employment and Training Administration. March 22, 2004

WHY READ THE REPORT

The Division of Migrant and Seasonal Farmworkers within ETA is responsible for administering the National Farmworker Jobs Program (NFJP) under section 167 of the Workforce Investment Act. Its intent is to strengthen the ability of eligible migrant and seasonal farmworkers and their families to achieve economic self-sufficiency through job training and other related services that address their employment related needs.

WHY OIG CONDUCTED THE AUDIT

The OIG audited over \$3.7 million in NFJP grants, including a grant made to the Arkansas Human Development Corporation (AHDC) for \$1.158 million. AHDC proposed to use the grant to provide training and services to eligible migrant and seasonal farmworkers throughout Arkansas to strengthen their ability to achieve economic self-sufficiency.

Our audit objectives were to determine whether: (1) the costs claimed by the grantees for the period between July 1, 2000 and June 30, 2001, under the NFJP grant were reasonable, allowable, and allocable under the cost principles set forth in OMB Circular A-122 and grant guidelines; and (2) that performance reported was accurate and properly supported.

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/2004/21-04-001-03-365.pdf>

MARCH 2004

AUDIT QUESTIONS \$34,445 IN GRANT TO HELP ARKANSAS FARMWORKERS OBTAIN TRAINING AND JOBS

WHAT OIG FOUND

Our audit questioned costs of \$34,445 that were not in compliance with laws and regulations. Specifically, we found that AHDC:

1. Enrolled 8 participants (out of our sample of 37) who did not have the required farmwork history. (Questioned costs of \$24,888.)
2. Charged costs to the NFJP grant that should have been charged to other grants (e.g., migrant youth, small business assistance) or allocated among all of AHDC's grants. (Questioned costs of \$9,557.)
3. Did not properly apply the indirect cost rate agreement.
4. Overstated job placement totals to ETA.

WHAT OIG RECOMMENDED

We recommended that the Assistant Secretary for ETA recover questioned costs of \$34,445 and require AHDC to:

- Properly verify all eligibility criteria including farmwork history and income.
- Strengthen controls over the application of its indirect cost agreement to ensure all grants are properly charged indirect costs.
- Adjust its performance report to ETA for the improperly reported job placements.

We also recommended ETA request a review of the base being used for indirect costs.

AHDC agreed with Findings 3 and 4 and partially agreed with Findings 1 and 2.