

**U.S. Department of Labor  
Office of Inspector General  
Office of Audit**

## **BRIEFLY...**

Highlights of Report Number: 03-06-002-03-390, to the Assistant Secretary for Employment and Training.

### **WHY READ THE REPORT**

The Workforce Investment Act (WIA) provides funding and guidance to statewide and local workforce investment systems to increase the occupational skill attainment, employment, retention, and earnings of participants. The Office of Inspector General (OIG) conducted a performance audit of the District of Columbia (DC) WIA program for program years (PYs) 2001 and 2002; however, we examined activities beyond this period, when circumstances warranted, to answer the audit objectives. The Department of Employment Services (DOES) administers the DC WIA program. For PYs 2001 and 2002, ETA awarded DC \$7,842,718 and \$7,819,449, respectively, in WIA funds and \$8,000,000 and \$6,000,000, respectively, in Youth Opportunity (YO) grants. WIA provides the authority for awarding YO grants.

### **WHY OIG DID THE AUDIT**

The purpose of our audit was to answer the following questions:

1. For Adult and Dislocated Worker participants with an approved Individual Training Account (ITA), did DOES: (1) provide these participants a choice of training providers; (2) provide training services in a timely manner; and (3) exit these participants from WIA in a timely manner?
2. Does the DOES procurement process for selecting training providers adhere to WIA and DC regulations?
3. Is DOES meeting Office of Management and Budget (OMB) Circular A-133 Single Audit requirements?
4. Is the DOES One-Stop System structured in accordance with WIA and the DOES State Plan, and are costs for the One-Stop centers proportionate to the level of services they provide?

### **READ THE FULL REPORT**

To view the report, including the scope, methodology, and full agency and DOES' response, go to:

<http://www.oig.dol.gov/public/reports/oa/2005/03-06-002-03-390>

**March 2006**

## **Audit of the District of Columbia's Workforce Investment Program**

### **WHAT OIG FOUND**

The OIG found that for Adult and Dislocated Worker participants with an approved ITA: (1) there was evidence to support that DOES provided a choice of training providers to 14 of the 20 participants in our sample, but DOES' policies for low-income participants facing multiple barriers to employment did not provide for consumer choice; (2) over one-third of these participants waited over 60 days to receive training; (3) DOES caseworkers did not exit 52 percent of sampled Adult and Dislocated Worker Program participants with in the required WIA guidelines of not receiving any services within 90 days. We also found that DOES did not comply with WIA regulations for its procurement of training providers for the WIA Youth program until October 2002 and DOES did not comply with DC procurement regulations in awarding YO subgrants. The DOES procurement process of training providers for the WIA Adult and Dislocated Worker programs adheres to WIA regulations. Additionally, DOES did not obtain the required audit reports for two subgrantees. Finally, The DOES One-Stop System is structured in accordance with WIA regulations and its State Plan, and the One-Stop center costs were proportionate to the level of services.

### **WHAT OIG RECOMMENDED**

We recommended that the Assistant Secretary for Employment and Training ensure DOES: (1) revises the DOES One-Stop Career System Operating Policies; (2) caseworkers document all activity related to enrolling participants in training and take action on the systemic causes of any delays; (3) automatically exits Adult and Dislocated Worker participants who received no services within 90 days and provide training for their caseworkers to ensure that they are complying with policies and procedures; (4) implements procedures that the Office of Grants Management and Development (OGMD) reviews subgrant awards; and (5) implements a process so that required audit reports for subgrantees are obtained and used as part of its monitoring process.

In their response to the draft report, DOES officials stated they took corrective action on recommendations 3 and 5, and plan to take corrective action on recommendation 1. DOES officials did not respond to recommendations 2 and 4. All recommendations will be resolved as part of ETA's audit resolution process.