

BRIEFLY...

Highlights of Report Number: 02-07-202-03-390,
to the Assistant Secretary for Employment and
Training

WHY READ THE REPORT

Statewide Activity expenditures reported by the State of Illinois, Department of Commerce and Economic Opportunity (DCEO) to the Employment and Training Administration (ETA) for the fourth quarter of Program Year (PY) 2003 (June 30, 2004) were significantly higher when compared to the preceding three PY quarters. ETA, Congress and outside parties rely on data from the Financial Status Reports (FSRs) to make decisions that could have an impact on current and future funding when determining appropriation levels.

This report discusses the causes and the effect of the fourth quarter increase in the State of Illinois' Statewide Activity expenditures.

WHY OIG DID THE AUDIT

The OIG conducted a performance audit to determine the causes for the disproportionate increase in reported WIA Statewide Activity fourth quarter expenditures and whether the increase had an impact on data provided to ETA.

READ THE FULL REPORT

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

<http://www.oig.dol.gov/publicreports/oa/2007/02-07-202-03-390.pdf>.

March 2007

ILLINOIS WORKFORCE INVESTMENT ACT STATEWIDE ACTIVITY FOURTH QUARTER EXPENDITURES

WHAT OIG FOUND

Our audit found that the disproportionate increase in fourth quarter expenditures was primarily caused by:

- inaccurate recording and reporting of expenditure data during the transfer of program responsibilities from the Illinois Department of Economic Security to DCEO;
- inaccurate reporting of expenditure transfers from one year to another;
- accrual reporting issues at Local Workforce Investment Areas; and
- grant management issues.

Expenditures were reported in incorrect periods from June 30, 2003, through June 30, 2004. As a result, ETA relied on quarterly FSRs that included differences of up to \$4.5 million. ETA, Congress and outside parties rely on data from the FSRs to make decisions that could have an impact on current and future WIA program funding.

WHAT OIG RECOMMENDED

The OIG recommended the Assistant Secretary for Employment and Training ensure:

- DCEO's reporting system includes a timely reconciliation of recorded expenditures to those reported to ETA.
- DCEO's expenditures are reported to ETA consistently on an accrual basis.

In its response to the draft report, DCEO concurred with the audit findings and recommendations.