

BRIEFLY...

Highlights of Report Number 26-10-003-01-370, to the National Director, Office of Job Corps.

WHY READ THE REPORT

This report discusses Education and Training Resources (ETR) control weaknesses related to managing and reporting financial activity, managing safety and health programs, and reporting performance. ETR is under contract with the Office of Job Corps to operate four Job Corps centers for the U.S. Department of Labor,

WHY OIG CONDUCTED THE AUDIT

Our audit objectives were to answer the following questions:

1. Did ETR ensure compliance with Job Corps requirements for managing and reporting financial activity?
2. Did ETR ensure compliance with Job Corps requirements for managing center safety programs?
3. Did ETR ensure compliance with Job Corps requirements for reporting performance?
4. Did the hotline complaints alleging improper practices pertaining to financial reporting, student accountability, student and staff conduct, and safety programs at the Iroquois Job Corps Center have merit?

Our audit work was conducted at ETR headquarters in Bowling Green, Kentucky; and the Iroquois Job Corps Center (Iroquois) in Medina, New York.

READ THE FULL REPORT

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

<http://www.oig.dol.gov/public/reports/oa/2010/26-10-003-01-370.pdf>

March 2010

PERFORMANCE AUDIT FOR EDUCATION AND TRAINING RESOURCES, JOB CORPS CENTER OPERATOR

WHAT OIG FOUND

ETR did not always ensure compliance with Job Corps requirements for managing and reporting financial activity in one of three areas reviewed — non-personnel expenses. Iroquois bypassed procurement and accounting controls through improper use of the center's imprest fund and did not always maintain required documentation to support reported expenses. As a result, goods and services were not purchased in accordance with Federal Acquisition Regulations (FAR) and payments were made without adequate assurance that the disbursed amounts were appropriate.

ETR can improve its oversight to ensure center compliance in each of the three safety and health program areas reviewed — safety inspections, safety committee meetings, and student misconduct. At Iroquois, weekly inspections were not documented; monthly inspections were limited in scope; and safety committee meetings were not held consistently. For student misconduct, Iroquois did not always report significant incidents, such as physical assault and narcotics possession to Job Corps as required.

ETR also had control weaknesses in one of three areas relating to compliance with Job Corps requirements for reporting performance — Student Attendance/Accountability. Iroquois reported at least two students as enrolled for extended periods when the students never actually arrived at the center and did not obtain required Job Corps approval for extending enrollment past the two-year limit established by Job Corps.

Two hotline complaint allegations pertaining to financial management and student attendance had merit.

WHAT OIG RECOMMENDED

We made nine recommendations to the National Director, Office of Job Corps. In summary, we recommended Job Corps direct ETR to improve controls over financial management and reporting, safety and health programs, and performance reporting; and pay to DOL questioned costs relating to unsupported imprest fund transactions and excessive holiday party costs, and liquidated damages for any performance overstatements, as appropriate.

The National Director, Office of Job Corps, will require ETR to improve its controls and will determine the extent of any reimbursements owed to DOL.