

BRIEFLY...

March 29, 2016

JOBS FOR VETERANS STATE GRANTS PROGRAM: VETS NEEDS TO IMPROVE FINANCIAL MONITORING

WHY OIG CONDUCTED THE AUDIT

The Veterans' Employment and Training Service (VETS) provides employment and training services to eligible veterans through, among other programs, its Jobs for Veterans State Grants (JVSG) program, a noncompetitive grant awarded to each State Workforce Agency (state). Under the JVSG program, funds are allocated to states in direct proportion to the number of veterans seeking employment within that state. VETS' Fiscal Year 2013 budget totaled \$258.9 million, of which the JVSG program received \$170 million. JVSG funds paid for states to employ Disabled Veteran Outreach Program specialists and Local Veteran Employment Representatives, as well as the reasonable expenses of such employees for training, travel, supplies, and other business costs.

Given that almost two-thirds of VETS' budget is devoted to the JVSG program, it is essential that VETS monitor and supervise the distribution and use of JVSG funds provided to states. Previous OIG JVSG performance audit reports identified issues with VETS' grant monitoring activities.

WHAT OIG DID

We conducted a performance audit to determine the following:

Did VETS provide reasonable assurance that costs charged to the JVSG program were allowable?

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/2016/06-16-001-02-001.pdf>

WHAT OIG FOUND

VETS' controls over managing states' use of JVSG funds need to be strengthened to provide greater assurance that JVSG costs claimed by states are allowable. VETS had controls in place to ensure states properly reported JVSG expenditures, including guidance about recurring JVSG financial reporting requirements, and VETS also monitored obligation authority to ensure states' cash drawdowns were proper and met requirements. However, VETS did not have a control to ensure states claimed only expenses allowable for the JVSG program. Specifically, VETS' policy did not require any review of documentation that supported the states' expenditure totals. VETS' monitoring relied on comparing states' JVSG expenditure totals to their budgeted totals and also on states' certification that reported JVSG expenditures were accurate and allowable. Without reviewing supporting documentation for reported expenditures, VETS lacked assurance that costs charged by states to their JVSG grants were allowable.

WHAT OIG RECOMMENDED

We recommended the Assistant Secretary for Veterans' Employment and Training develop new monitoring guidance on the submission and review of supporting documentation for JVSG expenditures, and make a determination on the allowability of costs questioned in this report.

In response to our draft report, VETS agreed with our recommendations.