

MEMORANDUM FOR: DOL EXECUTIVE STAFF

FROM: ELLIOT P. LEWIS
Assistant Inspector General
for Audit

SUBJECT: Office of Audit Workplan

Attached for your information is the Office of Audit Workplan for FY 2005. As always, our planning objective was to optimize the use of limited audit resources in fulfilling our responsibilities. Mandatory audits include the annual audit of the Department's financial statements as required by the *Chief Financial Officers Act* and IT security audits pursuant to the *Federal Information Security Management Act*. Additionally, our responsibilities include carrying out a discretionary program of financial and performance audits consistent with our mission under the OIG's authorizing legislation, the *Inspector General Act*, as amended.

Every year in determining our discretionary program, we consider such factors as DOL programs' dollar value, vulnerability to fraud, waste and abuse, and prior audit coverage. This year, I conferred with many of you to solicit your suggestions of areas that could benefit from audit. I appreciate the ideas provided. A number of surveys included in the workplan directly resulted from these meetings. I look forward to repeating and expanding this consultation process next year. In the interim, I invite you to discuss with me at any time your thoughts on how the Office of Audit can support the mission of programs you manage.

If you have any questions about the FY 2005 Workplan, please do not hesitate to contact me on (202) 693-5170.

Attachment

U. S. DEPARTMENT OF LABOR
OFFICE OF INSPECTOR GENERAL

Office of Audit
FY 2005 Workplan

FOREWORD

The Office of Inspector General (OIG), Office of Audit (OA), is pleased to present its Workplan for FY 2005.

A strong influence on the Workplan was OIG's strategic planning process, undertaken in accordance with the *Government Performance and Results Act*. OIG's Strategic Plan identifies five goals for the OIG as a whole: (1) Optimize the Use of Funds Appropriated for Training and Employment Programs; (2) Safeguard Workers' and Retirees' Benefit Programs; (3) Optimize the Use of Funds Appropriated for Worker Protection and Workplace Safety Programs; (4) Assist Department of Labor (DOL) in Maintaining an Effective Management Process; and (5) Combat the Influence of Organized Crime and Labor Racketeering in the Workplace. The Office of Audit considered the OIG goals in setting its agenda.

Suggestions of issues to which the Office of Audit might give attention in future activities are welcome. Please contact Elliot P. Lewis, Assistant Inspector General for Audit, at (202) 693-5170, or via e-mail at lewis.elliott@oig.dol.gov.

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OFFICE ABBREVIATIONS

Atlanta	Atlanta Regional Audit Office
Chicago	Chicago Regional Audit Office
Dallas	Dallas Regional Audit Office
New York	New York Regional Audit Office
Philadelphia	Philadelphia Regional Audit Office
San Francisco	San Francisco Regional Audit Office
NAEO	National Audit and Evaluations Office
OAA	Office of Accountability Audits
OITA	Office of Information Technology Audits

INTRODUCTION

PURPOSE

The Office of Audit has prepared this Audit Workplan to inform departmental agencies of ongoing and planned projects.

MANDATORY V. DISCRETIONARY ACTIVITIES

Mandatory activities are those the Office of Audit is required to conduct. Activities carried out as a result of the Office of Audit's selection and prioritization process are referred to as discretionary.

Mandatory audits are conducted as required by Federal statute, regulation, or other authority. Our largest mandatory project is the yearly audit of the Department's annual financial statements as required by the *Chief Financial Officers Act*. The *Federal Information Security Management Act of 2002* requires the Inspector General to evaluate DOL's mission-critical information systems. We also have a statutory mandate to perform triennial audits of Job Corps Centers and service providers.

Discretionary resources are those remaining after our mandatory activities are funded. Discretionary resources are used to support a program of financial and performance audits in accordance with our mission under the OIG's authorizing legislation, the *Inspector General Act of 1978*, as amended. Within our discretionary program, we reserve a portion of resources to perform audits that result from special requests. Such special requests may come from the Secretary of Labor, Members of Congress or other sources. We also reserve resources to respond to allegations of fraud, waste and abuse the OIG receives from sources such as state and Federal program managers and private citizens. Requests from Congress and the Department are given special consideration as we prioritize where we will apply our resources.

WORKPLAN ORGANIZATION AND OIG STRATEGIC GOALS

The Audit Workplan is organized by mandatory (Chapter 1) versus discretionary (Chapter 2) projects, which are further broken out by the OIG strategic goals to which they relate.

The OIG Strategic Goals covered by this Workplan are:

OPTIMIZE THE USE OF FUNDS APPROPRIATED FOR TRAINING AND EMPLOYMENT PROGRAMS encompasses the Workforce Investment Act, the Employment Service, foreign labor certification, labor statistics, and Community Service Employment for Older Americans.

SAFEGUARD WORKERS' AND RETIREES' BENEFIT PROGRAMS involves Unemployment Insurance, Federal Workers' Compensation, Trade Readjustment Allowances, and pension and welfare benefits programs.

OPTIMIZE THE USE OF FUNDS APPROPRIATED FOR WORKER

PROTECTION AND WORKPLACE SAFETY PROGRAMS includes the enforcement of laws, regulations and Executive Orders related to occupational and mine safety and health, wages and hours, labor union reporting and disclosure, and affirmative action by Federal contractors and subcontractors.

ASSIST DOL IN MAINTAINING AN EFFECTIVE MANAGEMENT PROCESS

includes management and support functions such as financial management, procurement, information technology, performance measures, administration, legal affairs, and policy.

The fifth goal, *Combat the Influence of Organized Crime and Labor Racketeering in the Workplace*, is covered by the OIG's Office of Labor Racketeering and Fraud Investigations.

SURVEYS and AUDITS

A goal of OA's planning process is to ensure OA resources are used effectively. To accomplish this, special request and discretionary projects usually start with a survey to determine if an audit should be performed.

A **survey** is an educational process through which a broadly stated issue area is methodically reviewed for purposes of identifying programs, functions, activities, or processes that would benefit from audit. Surveys may employ vulnerability assessments, risk rankings, or similar approaches to determine those areas that offer the greatest opportunity for improvements in economy, efficiency, effectiveness, or compliance. At the completion of the survey phase, the Assistant Inspector General for Audit will decide whether an audit is warranted, at which point an audit plan and detailed audit steps will be prepared.

An **audit** is a systematic series of procedures and tests related to the specific objectives and scope of the assignment. Audits may include analyzing and verifying records and files, as well as obtaining information through interviews, questionnaires, and physical observations and inspections. OIG audits are performed in accordance with *Government Auditing Standards* issued by the Comptroller General.

PROJECT SUMMARIES

The Workplan describes planned work as well as ongoing projects. For mandatory audits, project summaries include a description of the audit, the assigned OIG audit office, and planned start and completion dates. Discretionary project summaries describe the activity and objectives, list the assigned office, indicate whether the project has been approved for the survey or audit phase, and show anticipated start and completion dates. Because surveys may or may not proceed to audit, depending on their results, it is often difficult to predict their completion dates. Accordingly, projects in the survey phase will usually indicate an anticipated completion date of "TBD" (to be determined).

CHAPTER 1

MANDATORY AUDITS

By far, our largest mandatory activity is the annual audit of the Department's financial statements as required by the *Chief Financial Officers Act of 1990* (CFO Act) and the *Government Management Reform Act*. The results of this major audit, along with the Inspector General's required statement on the most serious financial and performance challenges facing the Department, are presented in the Department's Annual Report on Performance and Accountability in accordance with the *Reports Consolidation Act of 2000*.

The OIG also is required to audit certain key information systems of the Department. The *Federal Information Security Management Act of 2002* requires the Inspector General to evaluate DOL's mission-critical information systems. Also, the Department of Labor (DOL) Cyber Security Program Plan requires the OIG to perform security testing and evaluations of DOL's major information systems.

Finally, as required by statute, the OIG conducts triennial audits of Job Corps contractors and service providers.

GOAL: OPTIMIZE THE USE OF FUNDS APPROPRIATED FOR TRAINING AND EMPLOYMENT PROGRAMS

Job Corps Center Operating Costs

Office: Philadelphia Phase: Audit Start: 4/05 Completion: 11/05

The *Workforce Investment Act of 1998* (P. L. 105-220) Section 159 (b), (2) require audits of Job Corps operators and service providers every three years. Each year the OIG conducts performance audit of Job Corps Center (JCC) operating costs at approximately 12 contract centers to determine if Job Corps contractors complied with laws, regulations, and Job Corps policies and procedures related to center operating costs for the prior fiscal year. Specific areas evaluated at each center include general and financial procedures, center staff payroll costs, non-personnel costs, and accountable non-capitalized personal property.

Job Corps Student Payment and Allotment System

Office: Philadelphia Phase: Audit Start: Ongoing Completion: Various

This is a financial audit of Job Corps' Student Pay Allotment and Management Information System (SPAMIS) financial statements. This audit is mandatory because it is related to the DOL FY 2005 Performance and Accountability Report audit. The results are used in support of OIG's Independent Auditors' Report on DOL's financial statements. The project objectives are to express an opinion on the presentation of SPAMIS' Statement of Position and Statement of Operations reports and are payments made in accordance with laws and regulations.

GOAL: SAFEGUARD WORKERS' AND RETIREES' BENEFIT PROGRAMS

Longshore & DC Compensation Act Trust Fund Financial Statement Audits

Office: OAA Phase: Audit Start: 2/05 Completion: 12/05

Background: The *Longshore and Harbor Workers' Compensation Act* requires the OIG to annually audit the financial statements of the U.S. Department of Labor Longshore and Harbor Workers' Compensation Act Special Fund and the District of Columbia (DC) Workmen's Compensation Act Special Fund. The OIG will audit the two funds' financial statements for the current year in accordance with generally accepted auditing standards and *Government Auditing Standards*. Planning for next year's audit will start immediately following the issuance of the current year report.

Federal Employees' Compensation Act (FECA) Special Benefit Fund

Office: OAA Phase: Audit Start: 1/05 Completion: 10/05

Background: The Employment Standards Administration, Office of Workers' Compensation Programs (OWCP) administers the FECA Special Benefit Fund, which the OIG is responsible for auditing. This special report, which will be prepared to assist Federal agencies in the audit of their annual financial statements, pursuant to the *Chief Financial Officers Act (CFO Act)*, encompasses three separate reports: (1) an opinion on the total actuarial liability, and the net intra-governmental accounts receivable and the total benefit expense made by the Fund on behalf of the employing agencies for the year then ended; (2) an agreed-upon procedures report on the schedule of actuarial liability, and net intra-governmental accounts receivable and benefit expense by agency; and (3) a service provider report on the policies and procedures placed in operation and tests of the operating effectiveness of OWCP. Planning for next year's audit will start immediately following the issuance of the current year report.

GOAL: ASSIST DOL IN MAINTAINING AN EFFECTIVE MANAGEMENT PROCESS

DOL Consolidated Financial Statement Audit

Office: OAA Phase: Audit Start: 1/05 Completion: 11/05

Background: As required by the *Chief Financial Officers Act of 1990* (P.L. 101-576), the objective of this yearly audit project is to render an opinion on the U.S. Department of Labor consolidated financial statements for the current year in accordance with the generally accepted auditing standards, *Government Auditing Standards*, and OMB guidance. We will also assess performance measures systems for risks that could result in material misstatements of the performance measure assertions of existence or occurrence and completeness. Planning for next year's audit will start immediately following the issuance of the current year report.

Governmentwide Single Audit Initiative

Office: OAA Phase: Audit Start: Ongoing Completion: 9/05

Background: The DOL OIG will participate in a governmentwide effort to perform quality control reviews (QCRs) of a statistical sample of audits of Federal grants subject to the *Single Audit Act*. Auditors of the governmentwide Consolidated Financial Statements will review the results of the QCRs to determine if they can rely on audits conducted under the *Single Audit Act* when opining on the governmentwide statements. During FY 2005, DOL OIG will conduct quality control reviews (QCRs) on a sample of 7 Federal grants assigned to DOL by the National Sampling Plan Project. DOL is the cognizant agency for the assigned Federal grants. The objective of the QCRs is to determine if the audits of the selected Federal grants meet general audit standards and specific Federal requirements for audits of Federal grants under the *Single Audit Act*.

Single Audit Compliance

Office: OAA Phase: Audit Start: Ongoing Completion: Various

Background: As required by the *Single Audit Act Amendments of 1996* and *OMB Circular A-133*, we conduct Quality Control Reviews (QCRs) of single audit workpapers and reports. The objectives of the QCRs are to: (1) determine that the audit was conducted according to applicable standards and met the single audit requirements; (2) identify the need for any follow-up audit work; and (3) report issues that may require management’s attention.

We also conduct desk reviews of all single audit reports issued to DOL grantees that are directed to us for review by the Federal Audit Clearinghouse. The objectives of the desk reviews are to: (1) determine if the Independent Auditor’s report, Schedule of Findings and Questioned Costs, Schedule of Expenditures of Federal Awards and corrective action plan are acceptable; (2) identify issues that require followup audit work; (3) determine if a QCR should be done; and (4) determine if the issues identified in the report should be brought to the attention of the appropriate DOL funding agency or agencies. Where desk reviews identify problems, we issue reports to the DOL funding agency or agencies. Single audit quality control work is ongoing throughout the fiscal year.

General Application and Security Controls Review of DOL Financial Systems

Office: OITA Phase: Audit Start: 10/04 Completion: 10/05

In support of our audit of the DOL consolidated financial statements, we will determine if the information produced by selected DOL financial systems is reliable by assessing the Information Technology (IT) general, application and security controls of selected financial systems. We will accomplish this principally through a risk-based audit of the IT general, application and security controls of selected financial systems in compliance with the Government Accountability Office’s (GAO) Federal Information System Controls Audit Manual (FISCAM).

Based on this review, we will conclude whether security, general and application controls for selected financial systems are properly designed and operating effectively.

FISMA Audits of DOL Mission-Critical Information Systems

Office: OITA

Phase: Audit

Start: 9/04

Completion: 09/05

The *Federal Information Security Management Act of 2002 (FISMA)* requires Inspectors General to audit the information systems of their respective departments or agencies. To date, the Department has identified 82 FISMA covered information systems. However, the Department is currently undertaking an inventory of its major information systems. That information will be used to update the total. The OIG will prioritize the DOL systems, based on risk and perform FISMA audits to determine the adequacy of selected systems' security programs, controls, practices and conclude on the overall effectiveness of the Department's security program.

CHAPTER 2

DISCRETIONARY PROJECTS

GOAL: OPTIMIZE THE USE OF FUNDS APPROPRIATED FOR TRAINING AND EMPLOYMENT PROGRAMS

One-Stop Customer Service

Office: Dallas Phase: Audit Start: 2/04 Completion: 12/04

Background: The *Workforce Investment Act* (WIA) requires each local workforce investment area to establish a One-Stop system for the delivery of certain Federal workforce development services. Entities responsible for the administration of separate Federal workforce investment, educational, and other human resource programs and funding streams (referred to as One-Stop partners) are to collaborate to create a seamless delivery system that will enhance access to services and improve employment outcomes for individuals receiving services. The system must include at least one physical center that provides comprehensive core services and access to the other activities carried out by the partners. Additional centers, a network of affiliated sites, technological and physical linkages may supplement the comprehensive center and specialized centers.

Objective/Key Questions: Are elements (organizational structure, integrated MIS systems, Memoranda of Understanding) in place to provide seamless service delivery? What populations are the One-Stops primarily serving?

Job Corps Students with Cognitive Disabilities

Office: San Francisco Phase: Audit Start: 6/04 Completion: 01/05

Background: Some Job Corps Center staff estimate that 60 to 70 percent of those entering the program have some form of a learning disability (LD), attention deficit hyperactivity disorder (ADHD) or other significant learning difficulty. While Job Corps encourages center staff to help students secure testing, the program does not formally assess incoming students to see whether or not they have a learning disability and may require special education or related services. In 2003, Job Corps issued guidance stating that it is the responsibility of the student, not the center, to “secure and fund such services.”

Objective/Key Questions: What are Job Corps’ processes for assessing students for unknown or undisclosed cognitive disabilities, such as LD and ADHD? Under what conditions, if any, should Job Corps be required to assess students for these disabilities? Are the data collected by Job Corps regarding the number of students with LD or ADHD valid? What would be the potential impact of an improved assessment process on student outcomes and program resources and costs?

Job Corps Performance Measures

Office: San Francisco Phase: Audit Start: 9/04 Completion: 9/05

Background: Job Corps contracts out a majority of its services, including outreach/admissions, center operations, and career transition services or placement. Most of these contracts are performance-based cost reimbursement contracts, in which some costs are paid but a percentage is withheld until negotiated outcomes are demonstrated. Job Corps judges performance against established program performance measures. Contractors have the opportunity for three 1-year government unilateral options for extension after the base 2 years, depending on performance and other factors.

Objective/Key Questions: Are reports on Job Corps performance measures, which are the basis for contract payments and the government’s exercise of option years, accurate and reliable?

TAA Program Administration by the State Workforce Agencies

Office: Philadelphia Phase: Survey Start: 1/05 Completion: TBD

Background: The ETA is concerned that SWAs may not be complying with ETA guidance and are still obligating up-front the total amount of the costs for long-term training. This could result in funds not being available for new services

Objective/Key Question: Are SWAs complying with ETA requirements concerning the obligation of TAA funds for training?

Incumbent Workers under WIA

Office: Atlanta Phase: Survey Start: 2/04 Completion: 11/04

Background: Training for incumbent workers is specifically authorized as a Statewide Workforce Investment Activity under the *Workforce Investment Act (WIA)*. States may spend up to 15 percent of WIA Title I-B funds for a variety of statewide activities, including incumbent worker training. Incumbent worker training is developed with an employer or employer association to upgrade skills of a particular workforce.

Objective/Key Question: How effective are WIA services to incumbent workers? Have workers increased their earnings and upgraded their skills as a result of program participation?

City of Atlanta Department of Labor Programs

Office: Atlanta Phase: Survey Start: 8/04 Completion: TBD

Background: A 2002 Single Audit for the City of Atlanta gave an adverse opinion on Department of Labor (WIA and Welfare-to-Work) funds, the only Federal funds that received such an opinion during the audit period. The findings ranged from poor cash management, eligibility, and procurement to noncompliance with earmarking requirements.

Objective/Key Questions: What impact did poor cash management practices have on the DOL funds? Were participants in the WtW and WIA programs eligible for services offered through the DOL programs? Did any of the commingled Federal funds include DOL funds, and to what extent were DOL funds used for unallowable costs?

Effectiveness of WIA in Providing Training That Results in Jobs in Demand Occupations

Office: Dallas Phase: Survey Start: 12/04 Completion: TBD

Background: The Workforce Investment Act (WIA) Sec. 134(d)(4)(G)(iii) requires that local Workforce Investment Boards (WIBs) provide participants with training options that will lead to employment in demand occupations. However, a prior OIG report on Individual Training Accounts (ITAs) found that fewer participants were receiving vocational training under WIA than under the Job Training Partnership Act.

Objective/Key Questions: How have local workforce boards determined demand occupations for their service area? How have the states developed and maintained lists of state-certified eligible training providers? Is WIA training being provided only in occupations in demand in the local area or in another or nearby area to which workers are willing to relocate? Did participants who received vocational training obtain employment in a training-related occupation?

Accuracy of WIA Participant Enrollment and Exit Data

Office: Dallas Phase: Survey Start: 10/04 Completion: TBD

Background: The OIG has received allegations that some One-Stop operators purposely take applications from participants, provide limited services to them, but do not process the participant's enrollment papers until the One-Stop has determined through wage file inquiries that the person has obtained employment. Allegedly, the operators then enter the participant's enrollment information and an exit date, which ensures that the One-Stop obtains a positive outcome based on the quarter in which the participant's wages occurred.

Objective/Key Question: Are One-Stop operators accurately documenting participant enrollments and exits?

WIA Discretionary Grant Programs Effectiveness

Office: Dallas Phase: Survey Start: 10/04 Completion: TBD

Background: ETA awards millions of dollars annually for discretionary grant programs. These grants are typically awarded in small amounts to a large numbers of grantees. Many are demonstration grants intended to provide ETA with information on how to improve its programs. Discretionary grant programs may have fewer restrictions or requirements than other ETA programs.

Objective/Key Questions: Did ETA discretionary grant programs deliver the services they promised in the statement of work for which the grant was awarded, or was the scope changed

after award? What was the outcome of these awarded grants? What has ETA done with the results of these discretionary grants?

Assessment of ACS Earnings From Negotiated Indirect Cost Rates

Office: Dallas Phase: Survey Start: 10/04 Completion: TBD

Background: Affiliated Computer Services (ACS), a private for-profit company, has over 100 contracts to operate One-Stop Centers for local Workforce Investment Boards across the country. Local Workforce Boards that award contracts to ACS for operating their One-Stop Centers may not have the resources or information needed to negotiate indirect cost rates that will permit ACS to recover only an allocable share of reasonable and necessary costs to provide contract services.

Objective/Key Question: How is the ACS indirect cost rate set? Are ACS indirect costs charges actual recoveries of indirect costs or do they represent profit to ACS?

Performance and Accountability Over the Senior Community Service Employment Program

Office: NAEO Phase: Survey Start: 3/05 Completion: TBD

Background: The Senior Community Service Employment Program (SCSEP) provides unemployed low-income persons who are 55 years or older with part-time subsidized community service jobs so they can gain work experience leading to unsubsidized employment. Other services may include job readiness/placement activities, basic skills/remedial/GED training, and skills training. Participants also receive wages and benefits. The program has an entered employment goal of 40 percent.

Objective/Key Questions: How effective is SCSEP in placing older workers into unsubsidized employment? How long are participants kept in the program before they are exited? What types of training and services are provided to help them obtain unsubsidized employment?

Employment and Training Administration (ETA) Grant Accountability

Office: NAEO Phase: Survey Start: 7/04 Completion: TBD

Background: In response to past OIG audits, ETA launched an effort to improve grant accountability and asked OIG for assistance in developing a plan to improve ETA's grant administration. OIG's Office of Audit staff met with ETA to share perspectives on grant management weaknesses, and helped ETA identify strategies for improving operations. ETA developed a report outlining concerns and strategies for improving ETA grant administration. In April 2003, ETA issued instructions to its national and regional offices staff specifying roles and responsibilities for various phases of grant administration.

Objective/Key Questions: Is ETA's guidance for improving grant accountability adequate? What is ETA's progress in implementing its revised guidelines, and how effective have they been in improving grant accountability?

WIA State Set-Aside Fund Utilization

Office: New York Phase: Survey Start 10/04 Completion: TBD

Background: The Workforce Investment Act (WIA) allows the state to set aside 15 percent of its funds for statewide Youth, Adult and Dislocated Worker activities and no more than 25 percent of Dislocated Worker funds for statewide rapid response. However, in Program Year (PY) 2003, the states' carry-in dollars for these set-aside funds equaled \$611 million, or 44 percent, of the total carry-in for all WIA programs combined. States may be holding an excessive amount of funds and/or requesting emergency funds unnecessarily. As a result, target populations may not be receiving services due to lack of local funding.

Objective/Key Questions: What are the cause(s) of states' underspending statewide activity and rapid response funds? What impact does underspending have on the overall program and the target population?

WIA Fourth Quarter Spending

Office: New York Phase: Survey Start 2/05 Completion: TBD

Background: State WIA expenditures reported for the Adult, Dislocated Worker and Youth programs increased dramatically in the last quarters of Program Years 2001 and 2002. Since services provided under the Adult and Dislocated Worker programs are expected to be relatively consistent throughout the year, expenditures should not vary disproportionately between quarters. Possible causes of this increase include the reporting of obligations as accrued expenditures, the lack of administrative systems, expenditure transfers, nonuse of accrual accounting for reporting and service providers submitting untimely invoices. ETA relies on states' expenditure reports and performance data to evaluate whether WIA programs are performing effectively and efficiently. Therefore, financial information from the states must be current, accurate, and complete.

Objectives/Key Questions: What are the causes and impacts of the disproportionate increase in reported expenditures at the end of the program year?

WIA Administrative Costs

Office: Philadelphia Phase: Survey Start: 9/05 Completion: TBD

Background: Under the Workforce Investment Act (WIA), the administrative cost limitation for local areas is 10 percent, a major reduction from similar Job Training Partnership Act (JTPA) programs, which were allowed to operate at 20 percent. ETA estimates that administrative costs are actually 35-40 percent. A 1999 OIG report, *Impact of Workforce Investment Act Administration Cost Limitations on JTPA Recipients*, found that only 2 of 10 JTPA service delivery areas surveyed would have been in compliance with a 10 percent administrative cap, had such a cap applied to JTPA.

Objective/Key Question: How much do local areas actually spend on administrative costs to operate WIA programs? What changes might be made to administrative cost provisions to better reflect actual costs for operating programs?

Planning, Acquisition and Management of DOL Job Corps Centers

Office: Philadelphia Phase: Survey Start: 10/05 Completion TBD

Background: The annual budget for Job Corps center construction, rehabilitation, and acquisition is over \$100 million. OMB has provided guidelines (OMB Circular A-11, Section 300) to ensure capital assets are effectively managed. Effective management should include ensuring that the center grounds and buildings provide students and employees with a safe learning, working and living environment. Injuries to students, employees or visitors not only hurt the victims, but also could result in adverse publicity for Job Corps. This could have a negative impact on the program and could result in a drop in student enrollment or employer participation.

Objective/Key Questions: Is Job Corps complying with OMB Circular A-11 requirements in the planning, budgeting, acquisition, and management of DOL Job Corps centers and ensuring that students and employees have a safe learning, working and living environment?

Effectiveness of Job Corps Transition Support Services

Office: San Francisco Phase: Survey Start: 2/05 Completion: TBD

Background: Job Corps provides transition services to help graduates after they obtain employment. These services include job retention counseling, reemployment options in case of layoff, and career advancement services. However, there is a risk that students may leave the job or lose it shortly after placement because these transition services are inadequate. Services are provided by contractors (150 providers in FY 2004) who may not be fully familiar with the students' needs. Improved transition support services will help Job Corps secure future placements, earn a stronger reputation and help former students achieve long-term employment and achieve their career goals.

Objective/Key Questions: Does Job Corps provide adequate career transition support once students are placed in paid employment positions (not including Work-Based Learning)?

Round 3 Youth Offender Demonstration Grant Program: Efforts to Enroll and Help Participants Complete Skills Training

Office: New York Phase: Survey Start: 6/04 Completion: 11/05

Background: Since 1998, ETA has awarded nearly \$60 million in grants under the Youth Offender Demonstration Grant Program to assist youth, ages 14-24, who are returning from prison and youth at risk of court or gang involvement. The program provides participants with education, training and other services to help them secure employment, and avoid re-arrest and incarceration. The OIG's 2002 study of services and outcomes for the Round One Youth Offender Demonstration Grant Program recommended that ETA develop and implement a strategy for ensuring that the types, duration and intensity of services offered to participants help them to succeed in the program. Current grantees are expected to provide training to prepare participants for employment in fields in which technology skills are critical aspects of the jobs emerging in the regional labor market.

Objective/Key Questions: How effective is the Youth Offender Demonstration Grant Program in preparing participants for jobs involving technology skills? What types of services and training do participants receive? What are the outcomes?

Data-Sharing Among Federal Statistical Agencies

Office: San Francisco Phase: Survey Start: 9/05 Completion: TBD

Background: The December 2002-E-Government legislation, section 5 (*Confidential Information Protection and Statistical Efficiency Act of 2002*) allows the sharing of business and economic data. The Bureau of Labor Statistics, Bureau of Economic Analysis, and the Census Bureau currently share business data lists to support their statistical work, but frequently face problems merging data because the lists are often not comparable or compatible. Privacy and confidentiality concerns also restrict data sharing between Agencies.

Objective/Key Questions: Is BLS sharing data effectively? Given known obstacles to data sharing, how can BLS maximize data sharing capabilities? Is BLS complying with the December 2002 e-government data-sharing mandate?

GOAL: SAFEGUARD WORKERS' AND RETIREES' BENEFIT PROGRAMS

Trade Adjustment Assistance/Trade Health Insurance Assistance

Office: New York Phase: Audit Start: 2/04 Completion: 01/05

Background: Title II of the *Trade Adjustment Assistance Reform Act of 2002* establishes the Trade Adjustment Assistance (TAA) Health Insurance Assistance demonstration project. This project uses a tax credit and WIA National Emergency Grants (NEGs) to help eligible TAA participants cover the costs of health insurance.

Objective/Key Question: Does the Trade Health Insurance Assistance demonstration project decrease the number of uninsured TAA participants? Are eligible individuals taking advantage of the Bridge/Gap program administered through the use of National Emergency Funds, or are funds sitting dormant?

Effectiveness of the Unemployment Insurance Experience Rating System

Office: Atlanta Phase: Audit Start: 2/04 Completion: 12/04

Background: Since 1935, an experience-rated state tax system has been a mandatory state "conformity" requirement of the U.S. Unemployment Insurance (UI) system. Employers that experience a large number of claims pay a higher unemployment tax rate than employers with modest claims. The experience rating system is intended to promote equity among firms and to encourage employers to maintain a stable workforce by penalizing employers with higher UI tax rates who hire and layoff solely based upon market demand. However, several indicators suggest that the system is not providing the employer participation, equity or stabilization that the *Social Security Act* envisioned. For example, research found that nearly 20 percent of

benefits nationwide could not be charged back to employers because the employer was already at the maximum tax rate. Economic downturns and diminishing trust fund balances require more effective experience ratings in the states to reduce the potential burden on the Federal Government.

Objective/Key Questions: Do the states have measurements in place that are supported by reliable and verifiable data, and are they using the measurements to manage their experience rating function and related activities?

Effectiveness of SWAs' Use of Form 1099 Data

Office: Philadelphia Phase: Audit Start: 10/03 Completion: 11/04

Background: Our March 1999 audit report, *Adopting Best Practices Can Improve Identification of Noncompliant Employers for State UI Field Audits*, recommended ETA work with the Internal Revenue Service (IRS) to provide State Workforce Agencies (SWAs) access to IRS Form 1099 (Miscellaneous Income Data), and to develop a software program to analyze IRS Form 1099 information for the SWAs. Since that time, the OIG has been working with ETA and the IRS to develop mechanisms for the SWAs to access IRS Form 1099 information in order to improve the effectiveness of their unemployment insurance tax audit programs. To date, 19 SWAs have requested 1099 extract data from the IRS, and, of those, 7 are actively using the data and reporting results.

Objective/Key Questions: Why are more states not using 1099 data in their UI tax audit operations? What best practices are in use by the seven states with active programs that can be shared with other states? What monetary results have been realized by the states making active use of the data?

EFAST Operations and Accuracy

Office: San Francisco Phase: Audit Start: 5/04 Completion: 02/05

Background: Employee benefit plans are required to file an annual report consisting of an IRS Form 5500 and numerous schedules, all of which provide information about the plan. DOL has developed the ERISA Filing and Acceptance System (EFAST) to handle the form 5500s. DOL spent over \$30 million developing EFAST. The system annually processes over 1.5 million electronic or paper filings using the latest scanning technology. EFAST is physically located in Lawrence, Kansas. The ERISA database is used by all four ERISA-related agencies: Employee Benefits Security Administration (EBSA), Internal Revenue Service (IRS), Pension Benefit Guaranty Corporation (PBGC), and the Social Security Administration (SSA). EBSA specifically uses the database for enforcement targeting, statistical research and analysis, trend analysis and other high-level policy and regulatory purposes. The accuracy of the system directly affects the quality of the oversight and policy making.

Objective/Key Questions: Has EBSA ensured that the EFAST quality control requirements are adequate and are being met? Is data in the EFAST system reasonably accurate when compared to information submitted by the filer on the Form 5500? Are the data EFAST provides to DOL for the ERISA Database System reasonably accurate?

EBSA Compliance Assistance, Oversight, and Monitoring of Health Plans

Office: San Francisco Phase: Survey Start: 1/05 Completion: TBD

Background: In 2002, EBSA, along with State Insurance Commissioners in Florida, Kansas, Arizona, and Vermont, conducted compliance assistance workshops for health plan sponsors and practitioners focusing on the Health Insurance Portability Act (HIPPA), Consolidated Omnibus Budget Reconciliation Act (COBRA), and other new health laws. These new laws established Federal requirements for virtually all of the nation's health benefit programs by adding new provisions to ERISA, the Public Health Services Act and the Internal Revenue Code. In March 2003, the HIPPA Compliance Assistance Program (H-CAP) was introduced to help employers and health plans fulfill their obligations under various health laws.

Objective/Key Question: Do EBSA's assistance, oversight, and monitoring adequately ensure the delivery of sound employer health plans?

Employment and Reemployment Rights for Uniformed Services Members

Office: Chicago Phase: Survey Start: 3/04 Completion: TBD

Background: The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), administered by DOL's Veterans' Employment and Training Services (VETS), requires employers to rehire returning reservists and National Guard members and provide them with the rights and benefits they would have attained if they had remained continuously employed. Returning reservists and National Guard members can file a complaint with the DOL if an employer fails to comply with the USERRA. DOL opens an average of 900 cases each year on behalf of reservists and National Guard members, but the number of cases has been increasing since September 11, 2001, with 1,200 in 2002 and 1,300 in 2003. As mobilizations continue and deployments are extended, the potential for employer noncompliance could increase. A significant increase in employee complaints and employer noncompliance could tax VETS resources. If cases are not handled and resolved expeditiously, returning veterans could be denied employment and related benefits, including income, medical insurance, and future pension benefits.

Objective/Key Question: Are VETS outreach efforts effectively reducing USERRA non-compliance and violations? Is VETS investigating and resolving complaints and violations in a timely manner?

Review of FECA Dependent Eligibility

Office: Atlanta Phase: Survey Start: 1/05 Completion: TBD

Background: The Federal Employees' Compensation Act (FECA) protects 3 million Federal workers from economic hardship due to work injury and illness. Executive, legislative, and judicial branch employees covered by FECA include civilian Defense workers, medical workers in Veterans Administration Hospitals, and the 800,000 Postal Service workers. In 2003, more than 168,000 new FECA cases were created, and the program provided nearly 284,000 workers more than \$2.3 billion in benefits for work-related injuries and illnesses. Of these benefit payments, nearly \$1.7 billion was for wage loss compensation, \$658 million was for medical and

rehabilitation services, and \$130 million was for death benefits payments to surviving dependents. Recent evidence of abuses in the private sector suggest that ineligible dependents are not being removed from insurance rolls and, therefore, additional costs place a burden on the health care system.

Objective/Key Question: What impact do ineligible dependents have on the FECA program? Does FECA reduce the number of dependents for claimants whose children have reached adulthood? Are FECA claimants still collecting benefits on spouses whom the claimants have divorced or who are deceased?

DOL Implementation of Safety, Health, and Return-to-Employment (SHARE)

Office: New York Phase: Survey Start: 12/04 Completion: TBD

Background: On January 9, 2004, the President established the Safety, Health, and Return-to-Employment (SHARE) initiative, a safe workplace initiative for fiscal years 2004-2005. The initiative's four goals cover the most important elements of a strong safety and health management program for Federal employees: lower workplace injury and illness case rates, lower lost-time injury and illness case rates, timely reporting of injuries and illnesses, and fewer lost days resulting from work injuries and illnesses. The DOL will measure and track agency performance, and will report to the President annually on each of its agencies' progress towards meeting its goals. The Occupational Safety and Health Administration (OSHA) and the Office of Workers' Compensation Programs (OWCP) will provide baseline performance data, assist in goal setting, work with department and agencies to evaluate status, adopt strategies to meet targets, and check progress.

Objective/Key Question: What specific actions did OSHA and OWCP take in response to the President's directive? What were the results and cost savings to taxpayers? What information was reported to the Department and the President?

DOL Federal Employee Health Benefits (FEHB) Dependent Eligibility

Office: Atlanta Phase: Survey Start: 6/05 Completion: TBD

Background: A recent article in the *Wall Street Journal* reported that an audit of dependents enrolled for health care coverage revealed that 10 to 15 percent of private sector employees claimed ineligible dependents. DOL employees enroll in the FEHB program to provide health care benefits for themselves and their families. The cost of such benefits is borne by Federal employees and the Federal Government. In an effort to ensure health care costs are fair and equitable, we will survey DOL's implementation of the FEHB program to determine the risk and potential cost to the Federal Government of the enrollment of ineligible dependents.

Objective/Key Question: What is the risk that DOL employees have enrolled ineligible dependents in the FEHB program? What is the impact and cost that ineligible claimants have on the FEHB program?

States' Compliance with Use of REED Act Funds

Office: Dallas Phase: Survey Start: 10/04 Completion: TBD

On March 13, 2002, states were provided \$8 billion in Reed Act distributions to their Unemployment Trust Fund (UTF) accounts. These funds can be used for payment of unemployment compensation (UC) and administration of the states' UC laws and their public employment (ES) services. Reed Act funds used for administration must be spent only after, and in compliance with, a specific state legislature-approved appropriation. While their uses are restricted, Reed Act funds are still state funds.

Objective/Key Question: Are the states using Reed Act funds in compliance with statutory and regulatory limitations?

IRS' Administration Charges to the Unemployment Trust Fund

Office: Dallas Phase: Survey Start: 4/05 Completion: TBD

Background: In the past, OIG audits found that the IRS had inadequate controls over its calculation of administrative charges to the Unemployment Trust Fund (UTF) for the IRS's collection of the Federal Unemployment Tax and management of the UTF. Recently, IRS developed a detailed methodology to determine charges to UTF. Due to the methodology's complexity and because preliminary results using the methodology yielded charges of a magnitude that the OIG previously determined to be excessive, OIG will audit the methodology.

Objective/Key Questions: Would the IRS proposed administrative cost methodology result in overcharges to the UTF?

Unemployment Insurance Solvency Rate Measurement

Office: Philadelphia Phase: Survey Start: 4/05 Completion: TBD

Background: UI benefits are generally financed from state-collected employer payroll taxes, which are set aside in a trust fund for each state. As a counter-cyclical program, UI trust fund reserves are built up when the economy is healthy so that funds will be available to pay UI claims during economic downturns without raising payroll taxes. ETA recommends that states use a solvency test called the average high cost multiple (AHCM). To satisfy the AHCM, states must keep sufficient reserves in their UI trust funds to cover benefits for the 3 highest-cost years during the past 20 years or past 3 business cycles, whichever is longer. As of September 30, 2003, 32 out of 53 State Workforce Agencies (SWAs) did not meet the AHCM test.

Objective/Key Questions: Are there other useful measures of UTF solvency that ETA should be using? Are states using the best methods to ensure solvency, so that funds are available to pay benefits for the unemployed? Should the states have trigger mechanisms in place, such as indexed benefits, in order to respond quickly to economic downturns?

State Unemployment Insurance Administrative Financing

Office: Philadelphia Phase: Survey Start: 10/04 Completion: TBD

Background: The Employment and Training Administration (ETA) has requested OIG to look at the resource justification model by which UI administrative funds are allocated to the states. ETA is also looking at this issue, but believes OIG can help by providing best practices/benchmarking against other similar systems.

Objective/Key Question: Is the resource justification model by which UI administrative funds are allocated to the States effective? What other or similar systems exist that can be useful in developing best practices for the current model?

Wage and Hour Division's (WHD) Timeliness of Complaint Processing

Office: Atlanta Phase: Survey Start: 1/05 Completion: TBD

Background: According to DOL's *Revised FY 2004 Annual Performance Plan* issued January 27, 2004, for FY 2003, WHD reduced the average number of days for complaint resolution by 16 percent to 108 days. The goal for FY 2004 is to maintain the FY 2003 level. Successful long-term employer compliance requires WHD to balance timely completion of complaint cases without sacrificing thorough and accurate case resolution.

Objective/Key Question: How effective is WHD in achieving its target of resolving complaints in an average of 108 days? What is the quality and effectiveness of WHD's complaint resolution process? Does WHD's complaint service differ among the laws WHD enforces?

ESA GPRA Data Validation

Office: OAA Phase: Survey Start: 1/05 Completion: 9/05

Background: The *Government Performance and Results Act* (GPRA) of 1993 mandated performance measurement by Federal agencies and established the framework for systematically holding Federal agencies accountable for achieving program results and measuring program performance against program goals. The *Federal Financial Management Improvement Act* (FFMIA) of 1996 emphasizes the need for agencies to have systems that can generate reliable, useful and timely information. We will validate performance data generated by selected Agencies of the Employment Standards Administration (ESA) to determine the accuracy and reliability of such data.

Objective/Key Question: For FY 2004, are ESA's performance data valid and accurate? Is there evidence that reported transactions, events, activities, etc., occurred during the reporting period? Is there evidence that all transactions, events, activities, etc., applicable were included? Have reported performance data been properly reported?

GOAL: OPTIMIZE THE USE OF FUNDS APPROPRIATED FOR WORKER PROTECTION AND WORKPLACE SAFETY PROGRAMS

ILAB Project in Zambia

Office: Philadelphia Phase: Audit Start: 09/04 Completion: 11/04

Background: At the request of the Bureau of International Labor Affairs (ILAB), the OIG will audit a DOL-funded child labor project in Zambia. ILAB's concerns with the project include an unusually rapid rate of expenditure, project activities not preapproved by ILAB, and religious activities charged to the project.

Objective/Key Questions: Is the recipient spending funds in compliance with the award requirements? Are the costs allowable under the cooperative agreement?

OSHA State Consultation Referrals for Enforcement

Office: Chicago Phase: Survey Start: 4/04 Completion: TBD

Background: The OSHA Consultation Program is designed to help employers identify and correct serious hazards in the workplace. In FY 2000, funding for consultations represented about 15 percent of OSHA's budget, including 26,000 consultation visits. The consultant studies the employer's workplace or the specific condition the employer designates, discusses the applicable OSHA standards, and develops a plan for correcting the hazards. If an employer fails to follow the plan and correct the hazard, State Consultation Programs must refer the employer to an OSHA enforcement officer for appropriate action.

Objective/Key Questions: What are the states' consultation policies for referring employers to OSHA for enforcement? Are the State Consultation programs referring employers to OSHA when serious hazards are not corrected?

MSHA's Compliance with the Mine Act Inspection Requirements

Office: Chicago Phase: Survey Start: 11/04 Completion: TBD

Background: The inspection of mines protects mineworkers. Inspections are a critical part of measuring employer compliance with Federal mine safety and health standards. The Federal Mine Safety and Health Act requires that MSHA inspect each surface mine at least twice a year and each underground mine at least four times a year. Unperformed inspections increases the risk of accidents, injuries, and fatalities as a result of undetected hazards.

Objective/Key Questions: Are the required surface and underground mine quality inspections completed timely? Are there enough resources to meet the requirements for mine inspections?

Reliability of MSHA's Accident/Injury Data

Office: Chicago Phase: Survey Start: 3/05 Completion: TBD

Background: MSHA relies on the mine operators to self-report mine-related accidents and injuries. MSHA uses the data reported to determine the distribution of resources for compliance initiatives, special emphasis programs, targeted compliance assistance, and rule-making considerations as an internal control measure. In addition, MSHA uses this data to measure program performance. Since a poor safety and health record, as evidenced by frequent accidents, injuries, or fatalities, could result in additional inspections and enforcement actions by MSHA, there is a risk that mine operators will not fully disclose accidents at their mines.

Objective/Key Questions: Are MSHA's data on mining accidents and related injuries reliable (e.g., do accident/injury data reported by mine operators reconcile with MSHA's database)?

GOAL: ASSIST DOL IN MAINTAINING AN EFFECTIVE MANAGEMENT PROCESS

Grant and Contract Audits

Office: All Phase: Audit Start: Ongoing Completion: Various

Background: The OA plans to conduct financial and performance audits of selected DOL grants and contracts to ensure funds are appropriately spent and that desired results are obtained. Prior OA audits have found unallowable charges and performance problems.

Objective/Key Question: Are charges allowable? Were desired results obtained?

GPRA Data Validation

Office: OAA Phase: Audit Start: 4/04 Completion: 11/05

Background: The *Government Performance and Results Act* (GPRA) of 1993 mandated performance measurement by Federal agencies and established the framework for systematically holding Federal agencies accountable for achieving program results and measuring program performance against program goals. The *Federal Financial Management Improvement Act* (FFMIA) of 1996 emphasizes the need for agencies to have systems that can generate reliable, useful and timely information. We will validate performance data generated by MSHA programs, the Trade Adjustment Assistance (TAA) program and the Federal Employees' Compensation Act (FECA) program to determine the accuracy and reliability of such data.

Objective/Key Question: For CY 2003, are selected programs' performance data valid and accurate? Is there evidence that reported transactions, events, activities, etc. occurred during the reporting period? Is there evidence that all applicable transactions, events, activities, etc. were included? Have reported performance data been properly reported?

Data Analysis (Data Mining) to Promote DOL Program Integrity and Effectiveness

Office: OITA Phase: Audit Start: 11/03 Completion: 3/05

Background: DOL collects large amounts of data dealing with grants, employment (statistics and laws), and workplace safety. “Data mining” describes using technology (including database exploration) and defined criteria to sort through these data to extract specific information to identify patterns of interest to users, including workers and the business community. Data mining provides a tool to improve government performance and help assess the strength of the U.S. economy. Prior audits have identified poor data collection and data unreliability. The OIG is examining DOL data systems for patterns, trends, and anomalies.

Objective/Key Question: Can the data collected by the DOL be used to identify patterns of interest that would lead to identifying cost inefficiencies, data anomalies, and fraud, waste, and abuse?

System Development Life Cycle Management (SDLCM)

Office: OITA Phase: Audit Start: 11/03 Completion: 3/05

Background: The Information Systems life cycle review process ensures that all products created during the life cycle meet functional and performance requirements as outlined in DOL’s *System Development Life Cycle Manual*. The requirements for holding specific milestone reviews are determined by the system size, complexity, and management direction. The completion of a phase represents a logical point at which a milestone review should occur. The seven phases in the SDLCM are: Conceptual Planning Phase, Planning and Requirements Definition Phase, Design Phase Development and Test Phase, Implementation Phase, Operations and Maintenance Phase and Disposition Phase. The audit will encompass the selection of two high profile system development initiatives, yet to be determined.

Objective/Key Question: Are the selected system development efforts following the DOL SDLC methodology or a SDLC methodology approved by the Chief Information Officer? Are they on track to succeed?

DOL Computer Security Incident Response Capability (CSIRC)

Office: OITA Phase: Audit Start: 1/05 Completion: 05/05

Background: A quick coordinated response to computer security incidents aids in the control and containment of intrusions, limits the damage caused by intrusions and helps to continue or restore normal operations. Federal regulations mandate that Federal agencies establish formal incident response mechanisms.

Objective/Key Question: Does the Department of Labor have an acceptable Computer Security Incident Response Capability? Does the Office of the Assistant Secretary for Administration and Management have sufficient technology, trained personnel, and resources to effectively respond to IT security incidents?

Electronic Media Disposal

Office: OITA Phase: Audit Start: 12/04 Completion: 09/05

Background: Technological advances in computer hardware and software have resulted in network servers and employee workstations being upgraded and replaced on a frequent basis. Critical and sensitive data are stored on electronic media, and appropriate disposal procedures are needed to assure the information is not released.

Objective/Key Question: Are DOL agencies protecting sensitive information when disposing of electronic media?

Wireless Technology Security

Office: OITA Phase: Survey Start: 11/05 Completion: TBD

Background: A growing trend for computer hackers is to hack into Local Area Networks (LANs) that are not protected from unauthorized users of wireless technology. To hack into a LAN with exposed wireless access point, all a hacker needs is a portable computer and a wireless Local Area Network (LAN).

Objective/Key Question: Is DOL securing sensitive data on LANS from intrusion by unauthorized users who employ wireless technology?

Effectiveness of Department of Labor 800 Telephone Numbers

Office: Philadelphia Phase: Survey Start: 2/05 Completion: TBD

Background: To serve the general public and DOL stakeholders the DOL established 800 telephone numbers. These phone numbers are made available to the public on the DOL web site and on printed informational materials.

Objective/Key Question: How well is DOL serving its customers that use the 800 numbers? Do they get the information they want? Are the 800 numbers a cost effective way of serving DOL customers?

Cost-Effectiveness of DOL's Review of Travel Vouchers

Office: Philadelphia Phase: Survey Start: 8/05 Completion: TBD

Background: According to OFM Bulletin 99GC1.1 (1998), Federal agency finance offices with large-volume and highly automated travel voucher processing operations may use statistical sampling for vouchers that do not exceed \$2,500. These sampling procedures must follow provisions in GAO Policy and Procedures Manual for Guidance of Federal Agencies, Title 7, Appendix III. Finance offices are required to establish internal controls and maintain files with supporting documentation.

Objective/Key Question: Does DOL use effective controls, including statistical sampling, to review employee travel vouchers?

Department of Labor's Processing of Employee Retirement Requests

Office: NAEO Phase: Survey Start: 12/04 Completion: TBD

Background: Employee retirement requests are processed by the employee's agency, the applicable servicing personnel office and the Office of the Chief Financial Officer (OCFO). The OCFO sends the Office of Personnel Management a completed retirement package for each retiree.

Objective/Key Question: How effectively and efficiently do program agencies, servicing personnel offices, and the OCFO process DOL employee retirement requests? Does DOL send OPM employee retirement packages that are accurate, complete, and timely?

Department of Labor Procurement

Office: Chicago Phase: Survey Start: 6/04 Completion: TBD

Background: Nineteen agencies in DOL periodically purchase goods and services to accomplish their missions. In FY 2003, DOL agencies procured an estimated \$1.5 billion in goods and services through over 3,000 separate actions. Like other Federal agencies, DOL is moving towards implementing an automated procurement process (eProcurement). OASAM's Deputy Assistant Secretary for Administration and Management serves as the Senior Procurement Executive and has several responsibilities that include ensuring that DOL procurements are effective and comply with Federal and DOL requirements.

Objective/Key Questions: How effective is DOL's procurement process?

Complaint Response

Office: All Phase: N/A Start: Ongoing Completion: Various

Background: The OIG receives complaints and referrals alleging fraud, waste, abuse, and misconduct from a variety of sources, including Federal managers and employees, state and local grantees, DOL program participants, and public citizens. Complaints referred to the OA are prioritized for action based on the nature, magnitude, and specificity of the allegation or complaint.

Objective/Key Questions: Does the allegation or complaint have merit?