

## BRIEFLY...

Highlights of Report Number 26-08-004-01-370,  
Performance Audit of USDA Forest Service Job  
Corps Centers to the National Director, Office of  
Job Corps

### WHY READ THE REPORT

This report discusses weaknesses in controls over performance reporting and financial management at three Job Corps centers operated by the United States Department of Agriculture's Forest Service.

### WHY OIG CONDUCTED THE AUDIT

Our audit objectives were to answer the following three questions:

1. Did Forest Service ensure compliance with Job Corps requirements for reporting performance?
2. Did Forest Service ensure compliance with Job Corps requirements for managing and reporting financial activity?
3. Did Forest Service ensure compliance with Job Corps requirements for managing center safety programs?

### 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/2008/26-08-004-01-370.pdf>

### WHAT OIG FOUND

Forest Service did not ensure compliance with Job Corps requirements for reporting performance and financial activities for PY 2005 at three Job Corps centers: Schenck Civilian Conservation Job Corps Center (Schenck) in Pisgah Forest, North Carolina; Flatwoods Civilian Conservation Job Corps Center (Flatwoods) in Coeburn, Virginia; and Blackwell Civilian Conservation Job Corps Center (Blackwell) in Laona, Wisconsin.

We estimated that 112 of the 562 vocational completions reported for the three centers were invalid because training tasks had not been

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completed; and a former center manager also overstated 14 of the 18 high school diploma completions reported for Flatwoods. All three centers overstated Student On-Board Strength (OBS), a measure of a center's ability to operate at full capacity. We determined 177 of the 716 students served by the three centers should have been separated at an earlier date and should not have been included in the centers' OBS calculations after that date. Additionally, all three centers could not demonstrate that reported student attendance was accurate.

General and Administrative expense reported to Job Corps was understated by \$859,000 for the three centers. Operating expense totaling \$671,000 was reported inaccurately for the three centers. Finally, Forest Service could not provide adequate assurance best value was received for goods and services purchased and the amounts paid to vendors were appropriate and accounted for accurately for \$711,796 of \$1,061,064 vendor payments we reviewed.

During the course of our audit, nothing came to our attention that indicated that Forest Service did not ensure compliance with Job Corps requirements for managing center safety programs.

### WHAT OIG RECOMMENDED

We made ten recommendations to the National Director, Office of Job Corps. In general, our recommendations were to require Forest Service to establish standard operating and financial reporting procedures, provide adequate training and supervisory oversight to the staff responsible for following the procedures, conduct periodic performance and financial data integrity audits to test compliance, and implement corrective action plans when non compliance is identified. Additionally, we recommended that the National Director consider the non compliance noted in this report when making future Forest Service budget decisions.

### HOW AUDITEE RESPONDED

The National Director, Office of Job Corps concurred with the report's findings and recommendations for improvement.