



Office of Audit Workplan

Office of Inspector General for the U.S. Department of Labor


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Building



United States
Department
of Labor

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Fiscal Year 2022

Message from the Assistant Inspector General for Audit

I am pleased to provide the Office of Inspector General's (OIG) Audit Workplan for Fiscal Year (FY) 2022. We prepared this workplan to inform U.S. Department of Labor (DOL or Department) agencies and Congress of audits and reviews that will be completed or initiated in FY 2022. Our audits are presented by DOL agency and then further broken down into mandatory and discretionary audits. This workplan does not include unanticipated work that will come from legislative mandates, congressional requests, DOL requests, or emerging programmatic issues.

Mandatory audits are those required by law or regulation. For example, the *Chief Financial Officers Act* requires an annual audit of DOL's financial statements, which is our largest mandatory audit. Other mandatory audits relate to DOL's mission-critical information systems and the Workers' Compensation Programs.

After we commit resources to all mandatory audits, we use our remaining funds for discretionary audits. We decide which discretionary audits to conduct based on risk and potential impact on DOL's mission and goals. Additionally, we use these funds to perform audits in response to allegations of fraud, waste, and abuse from various sources.

We prepared this Audit Workplan by considering risks to major DOL programs that may prevent DOL from achieving strategic goals and objectives under its FY 2018 – 2022 Strategic Plan.



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U.S. Department of Labor Office of Inspector General Office of Audit FY 2022 Workplan

Office of Audit

The Office of Audit conducts audits and reviews to determine if: (1) DOL efficiently utilizes its resources; (2) DOL programs achieve their intended results; and (3) DOL programs and operations comply with applicable laws and regulations.

DOL Agencies

DOL consists of 28 agencies involving many major programs. DOL administers and enforces more than 180 federal laws and thousands of federal regulations that cover workplace activities for about 10 million employers and 125 million workers.

FY 2022 Workplan

The FY 2022 Audit Workplan is presented by DOL agency and then further broken down into mandatory and discretionary audits.

FY 2022 Audit Workplan

Bureau of Labor Statistics (BLS)

Discretionary Audit

- 1. BLS Survey Response Rate – In Progress.** BLS is the principal federal agency responsible for measuring labor market activity, working conditions, and price changes in the nation’s economy. The President, Congress, federal policymakers, public institutions, and private citizens use the economic information developed by BLS to guide and support decision-making. According to a 2013 study by the National Research Council, “[f]or many household surveys in the United States, response rates have been steadily declining for at least the past two decades.” It is vital for BLS to incorporate new methodologies and technology into its data collection process to ensure expected response rates and reduced respondent burden. A decline in response rates could increase data collection costs and affect data quality, which may result in unreliable economic information developed by BLS. This audit focuses on how efficiently and effectively BLS is able to obtain data necessary to produce the economic information it is required to produce, and if there are other sources to obtain the necessary data.

Bureau of International Labor Affairs (ILAB)

Mandatory Audit

- 2. Memoranda of Agreement between USAID and ILAB – In Progress.** ILAB signed two agreements with the U.S. Agency for International Development (USAID) that transferred approximately \$7 million to ILAB for grant-funded projects. The projects are intended to ensure a fair global playing field for workers by enforcing trade commitments, strengthening labor standards, and

combatting child labor, forced labor, and human trafficking. This mandatory audit focuses on how taxpayer dollars were spent and if the reported program results were reliable.

Employment and Training Administration (ETA)

Discretionary Audits

ETA Contract and Grant Programs

- 3. COVID-19: ETA Efforts to Help Workers Who Lost Jobs Due to the Pandemic.** Although estimates vary widely, economists generally report that somewhere between 20 and 40 million jobs were lost in 2020 as a result of the COVID-19 pandemic and subsequent business closures. At the same time, the unemployment rate increased from 3.8 percent in 2019 to 8.6 percent in 2020. This audit will focus on steps taken by ETA to ensure workers who need job search assistance or training have access, in person or remotely, to resources to assist them with job placement.

- 4. COVID-19: ETA Job Training Programs Performance.** In March 2020, the COVID-19 pandemic caused many of ETA's job training programs to cease operation. This interrupted participants' job training, hence potentially preventing them from completing their training and getting a job in the areas they were trained. This audit will assess the impact of the pandemic on ETA's job training programs by reviewing which and how many job training programs were interrupted and how ETA was able to resume training and ensure participants completed training programs they had started prior to the pandemic.

Job Corps

- 5. COVID-19: Job Corps Training Program Performance During the Pandemic.** In the middle of March 2020, the COVID-19 pandemic forced Job Corps to quickly shut down its centers and send most of its 29,000 students home. As with most other schools in the U.S., Job Corps had not planned for a transition to a distance learning program when in-person instruction abruptly ceased. This audit will review the impact that the sudden interruption of in-person instruction had on the ability of Job Corps to educate its students during the COVID-19 pandemic.

- 6. Job Corps Fixed Price Contract Transition.** In 2019, Job Corps began to transition its contracts for educational, outreach, admissions, and career

transition services to firm fixed-price contracts using the number of students enrolled at the center as the basis for the contract price. This transition is planned in phases and is expected to continue through 2024. The change to firm fixed-price contracts, especially in a time of severely declining enrollment, raises questions about Job Corps' ability to control costs and monitor program performance. This audit will review Job Corps' strategy for monitoring and controlling costs and program performance using firm fixed-price contract vehicles.

Unemployment Insurance (UI) Program

7. **COVID-19: DOL's Oversight of Emergency UI Administrative Grants to States – In Progress.** The Families First Coronavirus Act provided \$1 billion to DOL to provide emergency administration grants to state UI agencies for the administration of their unemployment compensation programs. Administrative resources are critical to delivering an effective UI program that is relied upon by millions of American taxpayers, especially now during the pandemic. Funds provided through these emergency administrative grants may only be used for the administration of the UI program and are not available for the payment of UI benefits. This audit focuses on the Department's monitoring of the emergency administration grants and if these funds were accurately tracked and reported, at both the state and federal level.

8. **COVID-19: Audit of ETA's Oversight of UI Integrity of CARES Act Programs – In Progress.** States are responsible for administering their UI programs while DOL provides oversight and direction for the UI system nationwide. When Congress, through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, expanded UI for workers who were suddenly unemployed because of the pandemic, states were already processing a substantial influx in UI claims. States then had to implement three new UI programs, resulting in additional major challenges. Resources stretched, states attempted to pay benefits quickly, and the risks of fraud and increased improper payments rose significantly. As of March 31, 2021, states and the territories had drawn down a total of approximately \$495.2 billion to administer the new UI programs—98 percent of the total drawdown funding (\$505.6 billion) for all CARES Act programs. Over the years, ETA has implemented various program integrity and fraud reduction initiatives; however, these initiatives have offered only a partial solution. This audit evaluates ETA's role in managing the integrity of the UI programs under the CARES Act, including working with states and partners to identify and share best practices and data to reduce fraud.

9. **COVID-19: CARES Act UI Claimant Eligibility – In Progress.** As of January 2, 2021, DOL reported nearly 74 million initial jobless claims since March 14, 2020. This was the largest increase in initial jobless claims since DOL began

tracking UI data in 1967. Among providing other relief, the approximately \$2.2 trillion CARES Act expanded UI benefits. Past audits of UI program expansions have shown that ETA did not adequately ensure proper controls were in place to ensure funds were paid to eligible claimants. States likely paid billions of dollars in benefits to individuals who were not eligible for CARES Act programs. This audit focuses on how effective states' controls were in ensuring that CARES Act UI program benefits were paid promptly and only to eligible claimants.

- 10. COVID-19: Audit of States' Information Technology Systems Capability in Processing Unemployment Insurance Claims – In Progress.** From March 28, 2020, to August 1, 2020, unemployed workers submitted more than 57 million initial UI claims and another 502 million continued claims under regular and CARES Act UI programs. Many states and U.S. territories used antiquated information technology (IT) systems—some dating from the 1970s—to process the claims influx and implement the new CARES Act programs. The need for IT modernization had already become apparent during the Great Recession where some states' systems failed completely. In October 2020, the National Association of State Workforce Agencies (NASWA) UI IT Support Center reported that only 22 states had modernized their systems. Using outdated IT systems can cause payment delays and can also increase improper payments including fraud. This audit will determine to what extent the capability of states' IT systems impacted their ability to process timely and accurate UI claims.
- 11. COVID-19: Audit of CARES Act Impact on Non-traditional Claimants – In Progress.** With the passage of the CARES Act in March 2020, the Department's UI program was expanded to provide emergency UI benefits to workers unemployed due to COVID-19. This included nontraditional claimants, such as self-employed workers, independent contractors, and individuals with limited work histories. While total expenditure of UI benefits approached \$500 billion by mid-2021, it is unclear how effective ETA and its state partners have been in delivering this assistance to nontraditional claimants. Our audit will determine if DOL and State Workforce Agencies' efforts ensured that nontraditional claimants received UI benefits as intended under the CARES Act and the Continued Assistance for Unemployed Workers Act (Continued Assistance Act).
- 12. COVID-19: Audit of DOL and States' Efforts to Detect and Recover Improper Payments – In Progress.** Under the CARES Act, ETA was required to implement large-scale changes to its existing UI system, including establishing six new programs. The new programs were intended to provide expanded UI benefits to workers who were suddenly jobless as a direct result of the COVID-19 pandemic. Given the challenge of rapidly implementing new programs during a crisis situation, ETA and states faced an additional hurdle of using controls, previously identified as weak and deficient in published OIG

reports and alert memorandums, to process more than 77 million seasonally adjusted initial jobless claims and 571 million seasonally adjusted continued claims over the course of the pandemic's first year. According to OIG's conservative estimate as of January 2, 2021, such circumstances increased the risk of UI improper payments (including fraud, waste, and abuse) to exceed a total of \$40 billion. This audit focuses on determining if ETA ensured states had adequate controls to prevent, detect, and recover improper payments stemming from UI benefits under the CARES Act and the Continued Assistance Act.

13. COVID-19: Audit of States' Use of Staffing to Support Implementation of CARES Act UI Programs – In Progress.

From March 2020, the unprecedented high rate of unemployment resulting from the COVID-19 pandemic led to challenges for states in processing UI claims, completing mandatory reporting, and performing required overpayment detection procedures due to insufficient staffing. DOL and states found themselves unprepared for the circumstances surrounding COVID-19 and struggled to implement CARES Act UI programs while unemployed workers faced lengthy delays in receiving UI benefits. The CARES Act provided states with temporary "emergency" flexibility through December 31, 2020, for additional staffing and to otherwise quickly process unemployment claims, and subsequent legislation extended these CARES Act UI provisions. This audit focuses on DOL's efforts to ensure states' staffing supported the implementation of UI programs under the CARES Act and its amendments.

14. COVID-19: Audit of the Temporary Full Federal Funding Program – In Progress.

Under the CARES Act, the Temporary Full Federal Funding (TFFF) program paid the cost of the first week of an eligible claimant's UI benefits for states with no waiting week. The program also paid the cost of the first week for those who chose to waive their waiting week requirements. This flexibility allowed eligible claimants to receive their benefits quickly and get the much-needed relief to offset the effects of COVID-19. As of July 2021, ETA had provided states more than \$6.8 billion through the TFFF program. This audit focuses on DOL's efforts to ensure states met program requirements and used the TFFF program as intended by the UI provisions of the CARES Act, the Continued Assistance Act, and the American Rescue Plan (ARP) Act.

15. COVID-19: Emergency Unemployment Relief for Government Entities and Nonprofit Organizations – In Progress.

The CARES Act created the Emergency Unemployment Relief for Government Entities and Nonprofit Organizations (EURGENO) program. It provided funds to reimburse governmental entities and certain nonprofits for amounts paid for unemployment between March 13, 2020, and September 6, 2021. This audit will determine to what extent ETA and states effectively executed the

EURGENO program and ensured compliance with the UI provisions of the CARES Act and its amendments.

16. COVID-19: Short-Time Compensation (STC) Program. Passage of the CARES Act expanded UI program benefits to new and existing programs, including the STC program. The CARES Act included provisions that increased the federal reimbursement to 100 percent of benefits for states that have an STC program in their laws and provided for a 50 percent reimbursement for states that do not have an STC program in their laws but agreed to operate a program on a temporary basis. The STC program acts as a work share program, with employers reducing the number of hours offered to employees and the state making up the difference in the form of benefit payments. The CARES Act provided for an estimated \$2.2 billion for benefit reimbursements and administrative costs. Twenty-seven states have participated in the program and reported benefit reimbursement payments of approximately \$1.1 billion as of July 31, 2021. This audit will determine how states implemented the STC program for the benefit of unemployed individuals and to meet the intent of the program.

17. COVID-19: Mixed Earners Unemployment Compensation. The Mixed Earners Unemployment Compensation (MEUC) program is a new temporary, federal program under the Continued Assistance Act and the ARP Act. It provided additional benefits to certain self-employed individuals who are available for work for the week ending January 2, 2021, through the week ending September 4, 2021. This audit will determine how states implemented the MEUC program for the benefit of unemployed individuals and to meet the intent of the program.

18. COVID-19: Audit of DOL and States Oversight of UI Claimants Return to Work. The CARES Act and its related extensions provided generous additional UI benefits to claimants that lost their employment due to the COVID-19 pandemic. However, business and state leaders reported that these generous UI benefits incentivized claimants to refuse suitable employment offers and led to labor shortages as the economy reopened. As a result, numerous states ended their participation in the enhanced federal jobless benefits program ahead of its expiration citing complaints from businesses that say they were unable to find workers. This audit will focus on DOL and states' compliance with return to work provisions under the CARES Act.

19. American Rescue Plan Act Equity Grants. The ARP Act provided \$2 billion in funding to the Department to prevent and detect fraud, promote equitable access, ensure timely payment of benefits and reduce backlogs. This includes \$260 million in Equity Grants to improve claimant outreach and customer service processes and to implement strategies to reduce backlog and improve access for workers in communities that may historically

experience barriers. These first-of-their-kind grants will provide funding for states to improve public awareness and service delivery as the Department seeks to address potential racial and ethnic disparities in the administration and delivery of UI benefits in some states. This audit will focus on the Department's and states' effectiveness in addressing the potential racial and ethnic disparities in the UI program.

Mine Safety and Health Administration (MSHA)

Discretionary Audits

- 20. COVID-19: Impact of COVID-19 MSHA Mandatory Inspections – In Progress.** MSHA conducts certain mandatory inspections to help ensure miners are working in safe environments. Because of workforce limitations during the COVID-19 pandemic, the number and/or quality of mandatory MSHA inspections may have declined, putting miners at risk. Between January and December 2020, MSHA conducted 19,487 mandatory inspections at 12,684 mines. This audit will determine if COVID-19 impacted MSHA's ability to effectively conduct all mandatory inspections.
- 21. Integrity of Dust Sampling.** Miners are exposed to harmful substances in their work environments daily. MSHA monitors many of these substances, including airborne toxins such as coal dust and respirable crystalline silica. Since 1990, at least 150 mine operators, agents, and contractors have submitted fraudulent dust samples that MSHA needed to regulate airborne toxins in mines. This audit will assess MSHA's efforts to address sample manipulation.
- 22. Mine Rescue Response Plan.** When disaster strikes, a well-prepared mine rescue effort can mean the difference between life and death for trapped miners. Insufficient personnel, equipment, or training could hamper MSHA's ability to respond quickly and effectively in mine rescue situations. Prior OIG work found MSHA had not provided adequate oversight of mine emergency response plans, which included planning by both mine operators and MSHA. This audit will assess MSHA's preparedness in responding to emergencies requiring mine rescue operations.

Occupational Safety and Health Administration (OSHA)

Discretionary Audits

- 23. COVID-19: OSHA Operations and Efforts to Protect Workers – In Progress.** Since the beginning of the COVID-19 pandemic in March 2020, OSHA has reduced its number of inspections and increased its number of non-formal complaint investigations. In July 2020, OSHA was named in a lawsuit by meatpacking employees who said OSHA was failing to do its job properly. OSHA stated its existing regulations and updated pandemic guidelines were sufficient to keep workers safe. This audit focuses on the impact of the COVID-19 pandemic on OSHA operations, including the number and types of inspections it has been using to safeguard workers, and OSHA's future plans to ensure safe and healthy working conditions during pandemics.
- 24. COVID-19: OSHA Inspection Collaboration Audit – In Progress.** While many industries suffered the impact of COVID-19 outbreaks during the pandemic, health care and meatpacking workers have had some of the highest rates of COVID-19 infections. OSHA has been performing inspections of worker safety in these environments, while the U.S. Department of Health and Human Services (HHS) and the U.S. Department of Agriculture (USDA) have been performing on-site inspections to ensure patient care and product quality. However, according to HHS and USDA OIG officials, their inspectors have not been reporting employee safety and health issues to OSHA. This audit focuses on OSHA's efforts to promote collaboration with other federal agencies that also conduct on-site inspections for potential workplace safety and health violations, especially during the pandemic.
- 25. COVID-19: OSHA Effectiveness of the National Emphasis Program (NEP).** Due to the COVID-19 pandemic, OSHA has received a surge of complaints while garnering the attention of Congress, labor unions, and the media with requests to act swiftly on behalf of the 130 million workers at more than 8 million worksites nationwide whom OSHA is responsible for protecting. OSHA launched the NEP on March 12, 2021, to focus on companies that put the largest number of workers at serious risk of contracting COVID-19, and on employers that engage in retaliation against employees who complain about unsafe or unhealthful conditions or exercise other rights under the Occupational Safety and Health (OSH) Act. The audit will focus on OSHA's efforts to administer the NEP to ensure that employees in high-hazard industries or work tasks are protected from the hazard of contracting COVID-19 and from retaliation.

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- 26. COVID-19: OSHA’s Adequacy of Plans and Use of Funds under the American Rescue Plan Act Funds – In Progress.** With increased concern regarding the safety and health of workers during the COVID-19 pandemic, OSHA has received a significant rise in complaints. We previously reported OSHA received 15 percent more complaints from February to October 2020, than during a similar period in 2019. To address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses, on March 11, 2021, Congress passed the ARP Act. The ARP Act provides relief to OSHA in the amount of no less than \$100 million. This audit focuses on whether OSHA adequately developed plans to use ARP Act funds to carry out COVID-19-related worker protection activities, and whether OSHA has controls in place to effectively use ARP Act funds to protect workers from COVID-19, particularly in high-risk workplaces, including health care industries, meat and poultry processing facilities, agricultural workplaces, and correctional facilities.
- 27. COVID-19: OSHA Effectiveness of Whistleblower Complaint Corrective Actions.** OSHA received a 30 percent increase in whistleblower complaints during the early months of the COVID-19 pandemic. OSHA enforces whistleblower provisions found in 25 statutes that protect employees from retaliation for reporting unsafe or unhealthful conditions or otherwise exercising their rights provided under the statutes. Prior to the pandemic, OSHA averaged 9 months to close a whistleblower complaint investigation, already much longer than the 30-, 60-, or 90-day statutory timeframes. Potential for even greater delays exist with the significant increase of whistleblower complaints received during the pandemic and decrease in the Whistleblower Protection Programs’ full-time employment. These delays can leave workers to suffer emotionally and financially. The audit will focus on OSHA’s efforts to implement corrective actions that improve the Whistleblower Protection Program to ensure workers are protected from retaliation.
- 28. COVID-19: OSHA Future Pandemic Planning Adequacy.** The COVID-19 pandemic has raised specific concerns about the safety and health of workers. OSHA, under the OSH Act, shall issue an Emergency Temporary Standard (ETS) if the agency determines that employees are exposed to grave danger from substances or agents determined to be toxic or physically harmful or from new hazards, and an ETS is necessary to protect employees from such danger. Since the start of the pandemic OSHA has received numerous complaints and requests from Congress and other stakeholders to issue an ETS. While OSHA has issued numerous pieces of guidance, guidance itself is not enforceable and cannot operate in lieu of an ETS. OSHA initially proposed a broad-based ETS, covering multiple industries, but changed course and only issued an ETS for health care on June 21, 2021. This audit will (1) determine if OSHA has plans to issue an ETS covering other high-risk industries, (2) review the effectiveness OSHA’s plans for

addressing future pandemics, and (3) evaluate other actions OSHA has taken to safeguard workers in high-risk industries during the ongoing pandemic.

29. Use of Complainant Interviews in OSHA Complaint Inspections – In Progress.

OSHA conducts approximately 9,000 complaint inspections annually and issues citations in 24 percent of those inspections. Inspectors are not required to interview complainants at any point during the inspection process, which could result in OSHA having little interaction with complainants and witnesses during complaint inspections. This audit focuses on OSHA’s use of complainant and witness testimony during a complaint inspection to ensure the complaint or referral was addressed adequately.

30. Rising Injury Rates among Online Retailers’ Warehouse Workers. High-speed fulfillment of online orders has become the industry standard, with large online retailers promising free 2-day, next-day, and even same-day deliveries of orders. To accomplish such speedy deliveries, warehouses around the nation have been forced to work ever faster, and some have reported increased pressure to meet production quotas. This may be having a significant impact on the health and safety of warehouse workers. For example, injury rates among warehouse workers have skyrocketed, with one organization reporting that injury rates at a leading online retailer are 80 percent higher and also more severe than at other online retailers’ warehouses. The State of California recently passed legislation to help protect warehouse workers by empowering state safety regulators to take additional enforcement actions. This audit will review what, if any, actions OSHA has taken to address the rising injury rates and severity of injuries at online retailers’ warehouse facilities.

**Office of the Assistant Secretary for
Administration and Management
(OASAM)**

Mandatory Audit

31. Federal Information Security Management Act (FISMA) Audit – Annual.

In performing its various missions, DOL collects and processes sensitive information through approximately 77 major information systems. FISMA recognizes the significant risks involved with information technology and its important role in fulfilling agency missions. As such, FISMA sets a framework for securing all federal government systems by developing security standards and methods for measuring the effectiveness of those security standards. This audit will focus on the status of the DOL Information Security Program in implementing an effective framework to secure DOL information systems.

Discretionary Audits

32. IT Modernization – In Progress. IT modernization is critical to preventing security breaches, excessive costs, missed deadlines, and low-quality IT products and services. DOL recently transitioned to an IT Shared Services model providing OASAM greater control over IT and IT funding. Our audit will focus on the management of IT modernization efforts across the Department, including software integration, legacy systems, and shared services.

Office of the Chief Financial Officer (OCFO)

Mandatory Audits

33. DOL Consolidated Financial Statements Audit – Annual. We will determine if DOL’s consolidated financial statements present fairly, in all material respects, the financial position of DOL as of September 30, 2022. We will consider DOL’s internal controls over financial reporting and test DOL’s compliance with applicable laws, regulations, contracts, and grant agreements that have a direct and material effect on the consolidated financial statements.

34. Review of DOL’s Improper Payment Reporting in the Annual Financial Report – Annual. In FY 2020, the UI program and Federal Employees’ Compensation Act (FECA) reported outlays of \$86.9 billion and \$3 billion, respectively, with an estimated improper payment rate of 9.17 percent and 2.34 percent, respectively. Based on the Department’s risk assessments, the UI and FECA programs continue to be considered the most susceptible to improper payments of all DOL programs. This audit will determine if DOL complied with the Payment Integrity Information Act of 2019, which required DOL to: (1) conduct a program-specific risk assessment for each required program or activity, (2) publish and meet annual reduction targets for each program assessed to be at risk for improper payments, and (3) report information on the efforts of each program to reduce improper payments.

**Office of the Assistant Secretary for Policy
(OASP)**

Mandatory Audits

- 35. DOL Implementation of Geospatial Data Audit – Biannual.** Congress enacted the Geospatial Data Act of 2018 (GDA) to foster efficient management of geospatial data, technologies, and infrastructure through enhanced coordination among federal, state, local, and tribal governments, along with the private sector and academia. The GDA applies to federal agencies that collect, produce, acquire, maintain, distribute, use, or preserve geospatial data. To improve the management and oversight of geospatial data and related investments, the GDA identified 13 requirements for federal agencies to implement. This audit will focus on the extent DOL implemented the requirements and improved its management of geospatial data.

**Office of Workers’ Compensation Programs
(OWCP)**

Mandatory Audits

- 36. Report Relating to the Federal Employees’ Compensation Act Special Benefit Fund – Annual.** We will determine if: (1) the Schedule of Actuarial Liability, Net Intra-Governmental Accounts Receivable, and Benefit Expense was fairly presented for the year ending September 30, 2022; and (2) internal controls over financial reporting related to the Schedule were in compliance with laws and regulations that could have a direct and material effect on the Schedule.
- 37. Longshore and Harbor Workers’ Compensation Act (LHWCA) Special Fund – Annual.** We will determine if DOL’s LHWCA Special Fund financial statements presented fairly, in all material respects, the financial position of the LHWCA Special Funds as of September 30, 2021.
- 38. District of Columbia Workmen’s Compensation Act (DCCA) Special Fund Financial Statement Audits – Annual.** We will determine if DOL’s DCCA Special Fund financial statements presented fairly, in all material respects, the financial position of the DCCA Special Funds as of September 30, 2021.

39. FECA Statement on Standards for Attestation Engagements No. 18 – Annual. We will determine if DOL’s Integrated Federal Employees’ Compensation System transaction processing for application and general controls, as described in the report, were fairly presented, suitably designed, and effectively operating for the period October 1, 2021, through June 30, 2022.

Discretionary Audits

40. COVID-19: Oversight and Adjudication of COVID-19 FECA Claims. In response to the COVID-19 pandemic, OWCP created new procedures to specifically address COVID-19 claims received from federal workers engaged in high-risk employment. In addition, the ARP Act made it easier for federal workers diagnosed with COVID-19 to establish coverage. OWCP must ensure claims resulting from the pandemic are appropriately adjudicated to reduce the risk of fraud and abuse while at the same time ensuring claimants receive benefits they are entitled to receive. As of late June 2021, OWCP had received over 15,000 COVID-19 FECA claims and paid out over \$6.3 million in benefits. Given this influx of claims, this audit will focus on an after-the-fact review of OWCP’s administration and oversight of COVID-19 claims received by the FECA program.

41. Energy Employees’ Claims Processing. From its inception to the end of FY 2020, the OWCP Energy program awarded approximately 127,000 claimants compensation and medical benefits totaling over \$18.52 billion. One of the major functions of the Energy program is to determine whether an individual qualifies for Part B and/or Part E benefits. As of October 3, 2021, the Energy program had denied 42 percent of claims filed under Part B and 47 percent of claims filed under Part E. This audit will determine the reasons claims are denied and why claims are denied at such a high rate.

42. Managing Pharmaceutical Spending in FECA – In Progress. Recent OIG audit work found OWCP had not done enough to ensure it paid the best price for prescription drugs. Specifically, the audits noted OWCP lacked a pharmacy benefits manager to help contain costs and had not determined if alternative drug pricing methodologies would be more competitive. This ongoing audit focuses on identifying the major factors influencing pharmaceutical spending in the FECA program, including any impact from the COVID-19 pandemic, and determining if OWCP effectively manages pharmaceutical spending in the FECA program.

43. Medical Bill Pay Processing Data Integrity – In Progress. In 2020, OWCP launched a new bill pay processing system: the Workers’ Compensation Medical Bill Processing (WCMBP) system. OWCP and its programs rely on accurate and complete data from this new system and OWCP’s legacy systems to provide the efficient and effective processing of medical bills and

case management. This audit assesses OWCP's processes and controls to determine the reliability of the OWCP's data in managing the workers' compensation programs.

Wage and Hour Division
(WHD)

Discretionary Audits

44. WHD Enforcement Program. WHD enforces laws that address more than 147.8 million workers with minimum wage, overtime pay, migrant and seasonal protections, prevailing wages on government-funded contracts, and other wage protections. To complement its enforcement efforts, WHD uses a variety of methods to help employers understand their labor responsibilities, such as opinion letters, compliance videos, outreach events, and compliance partnerships. This audit will focus on how WHD has met its enforcement requirements and leveraged its resources between compliance assistance and enforcement activities.

Veterans' Employment and Training Service
(VETS)

Discretionary Audits

45. COVID-19: VETS Reintegration and Training Programs. The COVID-19 pandemic has presented new challenges for VETS in its mission to prepare America's veterans, transitioning service members, and military spouses for meaningful careers; provide them with employment resources and expertise; protect their employment rights; and promote their employment opportunities. The audit will focus on how the pandemic impacted VETS reintegration and training programs, as well as the effectiveness of the training programs during a health crisis.

Multi-Agency

Mandatory Audits

- 46. Charge Card Risk Assessment – Annual.** The Government Charge Card Abuse Prevention Act of 2012 was designed to prevent recurring waste, fraud, and abuse of government charge cards, and requires agencies to implement safeguards and internal controls to reduce these risks. This audit will determine if DOL has established controls over its purchase and travel card programs to prevent and detect illegal, improper, or erroneous purchases and payments.
- 47. Single Audit Compliance, Quality Control Reviews of Single Audit Reports – Annual.** We will determine if selected independent auditors complied with the requirements of the Single Audit Act and if there is a need for any follow-up work.

Discretionary Audits

- 48. Enterprise Risk Management.** OMB Circular A-123 requires agencies to implement an Enterprise Risk Management (ERM) process. Agencies' ERM efforts are to be coordinated with the Government Performance and Results Modernization Act of 2010's strategic planning and review process, the internal control process required by the Federal Managers' Financial Integrity Act, and GAO's Green Book. We will determine if management has implemented an effective ERM process that identifies, assesses, responds, and reports on risks.