

U.S. DEPARTMENT OF LABOR
OFFICE OF INSPECTOR GENERAL
Office of Audit

BRIEFLY...

Highlights of Report Number: 04-11-002-02-201, to the Assistant Secretary of Veterans' Employment and Training Service.

WHY READ THE REPORT

The OIG conducted a performance audit of the Kansas Jobs for Veterans State Grant (JVSG) totaling \$1,610,000 for the Fiscal Year (FY) ended September 30, 2008. The JVSG program assists veterans seeking jobs by funding the Disabled Veterans' Outreach Program (DVOP) Specialists, the Local Veterans' Employment Representatives (LVER), and the Transitioning Assistance Program (TAP) Workshops in the state. DVOP Specialists provide intensive services to meet the employment needs of disabled and other eligible veterans; LVER's engage in outreach efforts to employers and conduct advocacy efforts with hiring executives to increase employment opportunities for veterans; and TAP workshops assist service members and their spouses make the transition to the civilian workplace.

WHY OIG CONDUCTED THE AUDIT

Our audit objectives were to answer the following questions:

1. Did errors occur within the Kansas JVSG FY 2008 financial reports for the DVOP, LVER, and the TAP Workshops?
2. Were the Kansas JVSG's FY 2008 financial reports complete and in accordance with Federal requirements?

The audit covered grant documents, financial and programmatic reports submitted to DOL Veterans' Employment and Training Service (VETS); data available from the Kansas Department of Commerce (DOC), Kansas Workforce Services; relevant legislation; and DOL VETS program letter requirements. The onsite fieldwork included interviews with State employees responsible for program oversight and review of documentation to support our random sample of various budget categories.

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/2011/04-11-002-02-201.pdf>

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KANSAS' CONTROLS OVER JOBS FOR VETERAN STATE GRANT CONTRACT REPORTING AND MONITORING NEED TO BE STRENGTHENED

WHAT OIG FOUND

The OIG found the Kansas DOC's lack of effective management controls and appropriate supervisory oversight undermined its ability to ensure expenditures were properly reported, recorded, and supported. As a result, Kansas DOC made frequent errors in the financial reports; direct and indirect charges exceeded expenditures per the general ledger; indirect costs were overcharged; general ledger expenditures exceeded program obligation authority in the 4th quarter; and expenditures to the "Other" budget line item could not be supported. Consequently, the financial reports were not complete or in compliance with Federal regulations. These deficiencies resulted in \$167,065 of questioned costs and \$124,086 that may not have been put to best use.

We attribute these deficiencies to the lack of Kansas DOC policies and procedures to ensure proper controls were in place for reporting program expenditures, monitoring obligation authority, retaining supporting documentation, and recording indirect costs.

WHAT OIG RECOMMENDED

We made two recommendations to the Assistant Secretary for Veterans' Employment and Training Service (VETS). In summary, we recommended VETS direct Kansas DOC to develop and implement internal control policies and procedures to improve program management and to ensure that JVSG funds are properly recorded and reported; and to recover unsupported and questioned grant costs.

In response to our draft report, the Assistant Secretary for Veterans' Employment and Training Service agreed with all recommendations. He stated that VETS will require the development of internal control policies and procedures, report within 60 days, and consider recovery of the unsupported and questioned grant costs.

In response to our draft report, the Chief Financial Officer of the Kansas DOC partially agreed to our recommendations. She stated that internal control weaknesses did exist, and certain costs were not supported. However, she stated the agency will be able to provide the necessary documentation to support these costs within the next few weeks.