
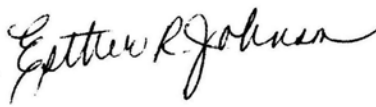


APPENDIX D

Agency Response to Draft Report

U.S. Department of Labor	Office of Job Corps Washington, D.C. 20210	
SEP 28 2007		
MEMORANDUM FOR:	ELLIOT P. LEWIS Assistant Inspector General Office of Audit	
FROM:	ESTHER R. JOHNSON, Ed.D.  Administrator	
SUBJECT:	Response to the Performance Audit of the Cleveland Job Corps Center Report No. 26-07-003-01-370	
<p>The Office of Inspector General's (OIG) performance audit of the Cleveland Job Corps Center resulted in six recommendations. Presented below are the OIG's recommendations along with the Office of Job Corps' (OJC) final response.</p> <p><u>OIG Recommendation 1</u> Develop a timely oversight process to ensure contractors reconcile public vouchers with the expenses reported on the ETA 2110 reports.</p> <p><u>OJC Response</u> On August 28, 2007, the National Director announced the establishment of a new Financial Management workgroup to review current polices and procedures and identify areas that need revision. The workgroup, scheduled to meet in early 2008, is comprised of center, corporate, and federal staff. The Job Corps Information Notice is attached as evidence.</p> <p><u>OIG Recommendation 2</u> Periodically assess the capability of personnel assigned to monitor the contractor's financial activities to ensure the personnel are adequately trained.</p> <p><u>OJC Response</u> The National Office has recognized the need to strengthen the financial management skill set for all staff and will continue to fund training for all personnel assigned to monitor our contractor's financial activities. The Office of Job Corps has provided Federal Program Manager's training (on contract management oversight) in August 2006 and June 2007, and has another scheduled for October 2007. In addition, the Chicago Regional Office has provided the following training to their Federal Program Managers:</p> <p>June 2006 – Online Contracting Officer's Technical Representative (COTR) July 2006 - Data Integrity Audits and Procurement</p>		

August 2006 – Online Ethics
December 2006 - 2110 and Vouchers
May 2007 - Program Assessment Guide and Property
June 2007 - Contractor Past Effectiveness Reports and Option Year Decision Packages
July 2007 - Data Integrity Audits

OIG Recommendation 3

Incorporate in the Program Assessment Guide (PAG) procedures which clearly state Contracting Officer and Job Corps Region roles and responsibilities for monitoring the Public Voucher/ETA 2110 reconciliation process.

OJC Response

The Office of Job Corps agrees with the auditors that enhanced written procedures would benefit the Job Corps program. The Office of Job Corps will update the Regional Standard Operating Procedure (SOP) 4.3.4, ensuring Regional Office roles and responsibilities for monitoring the 2110 are clearly defined. Contracting Officer Authority for Job Corps contracts is now in the Office of the Assistant Secretary for Administration and Management (OASAM). Although Job Corps cannot revise OASAM's procedures, Job Corps will advise OASAM of the changes intended for the Job Corps Regional SOPs.

OIG Recommendation 4

Establish effective procedures to ensure that contractors obtain prior approval from the contracting officer for consulting services and that contractors maintain a report on consulting services containing the information required by the contract.

OJC Response

Contracting Officer Authority for Job Corps contracts is now in OASAM. The Office of Job Corps will update the Regional Standard Operating Procedures Manual to include a process that requires the Job Corps COTR to both provide interim approval for consulting services and ensure that contractors maintain reports on consulting services (as required by their contract).

OIG Recommendation 5

Request ATSI provide support for the \$323,865 public vouchers submitted in excess of those reported and \$20,310 questionable payments for consulting services. Based on review of support provided recover any amount determined to be unreasonable.

OJC Response

The Chicago Regional Office of Job Corps will work with the OASAM Contracting Officer to request ATSI provide supporting documentation for both the \$323,865 public vouchers submitted in excess of those reported and \$20,310 questionable payments for consulting services. Once this document is thoroughly reviewed, the Office of Job Corps will request that the Contracting Officer recover any amount determined to be unreasonable.

OIG Recommendation 6

Review all consulting services obtained by ATSI for the center and request reimbursement for services that did not benefit the center.

OJC Response

The Chicago Regional Office of Job Corps will work with the OASAM Contracting Officer to review all consulting services received by ATSI to determine whether the services provided were actually to benefit the center. For all services not deemed beneficial to the center, the contracting officer will seek to revoke all associated funds.

Thank you again for the time and commitment given by you and your staff to improving the Job Corps program.