

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Department of Labor -  
Job Training Program  
Baton Rouge, Louisiana

March 2000



**Performance Audit**

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**Daniel G. Kyle, Ph.D., CPA, CFE**  
**Legislative Auditor**

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**March 2000**



**Performance Audit  
Office of the Legislative Auditor  
State of Louisiana**

**Daniel G. Kyle, Ph.D., CPA, CFE  
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# Table of Contents

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Legislative Auditor’s Transmittal Letter .....	v
Executive Summary.....	vii
<b>Chapter 1: Introduction</b>	
Audit Initiation and Objectives.....	1
Report Conclusions .....	1
Background.....	2
Scope and Methodology .....	12
Report Organization .....	15
<b>Chapter 2: Performance Data Accuracy</b>	
Chapter Conclusions.....	17
Background.....	17
Management Information System Generally Adequate .....	18
Participant Data Reported Accurately .....	21
Federal Performance Indicators Calculated Correctly .....	23
State Performance Indicator Calculations Not Documented .....	24
Some New State Performance Indicators Could Be Improved.....	26
<b>Chapter 3: Monitoring</b>	
Chapter Conclusions.....	31
Background.....	31
Certain Key Provisions Missing From Some Contracts .....	33
Most Contract Deliverables Easy to Understand.....	35
Not All Deliverables Have Performance Standards .....	39
Monitors Did Not Test All Deliverables .....	40
Some Monitoring Reports Unlocated; All Workpapers Not Signed and Dated.....	45
Monitors Did Not Develop Comprehensive Plans .....	47
No Evidence of Management Review .....	47
Some On-the-Job Training Times May Be Excessive.....	49

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## **Exhibits**

Exhibit 1-1: Eighteen Service Delivery Areas Under  
the Louisiana Department of Labor ..... 5

Exhibit 1-2: How Performance Data Get to LDOL and USDOL ..... 8

Exhibit 1-3: Criteria Used to Select SDAs ..... 14

Exhibit 3-1: Performance-Related Deliverables Assessed ..... 38

Exhibit 3-2: Training Times for Hotel Maids ..... 50

---

## **Appendices**

Appendix A: Acronyms Used in Report ..... A.1

Appendix B: LDOL Information Systems General Controls Questionnaire ..... B.1

Appendix C: SDAs Information Systems General Controls Questionnaire ..... C.1

Appendix D: Contract Provisions Evaluated ..... D.1

Appendix E: Response of the Louisiana Department of Labor ..... E.1

Appendix F: Responses of the Three Service Delivery Areas  
Covered in This Audit ..... F.1



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March 27, 2000

The Honorable John J. Hainkel, Jr.,  
President of the Senate  
The Honorable Charles W. DeWitt, Jr.,  
Speaker of the House of Representatives

Dear Senator Hainkel and Representative DeWitt:

This is our performance audit of the Louisiana Department of Labor. This audit was conducted under the provisions of Title 24 of the Louisiana Revised Statutes. All performance audits are conducted in accordance with generally accepted government auditing standards.

The report presents our findings, conclusions, and recommendations. Included in Appendix E is the response of the Louisiana Department of Labor. Appendix F includes the responses of three service delivery areas in which we conducted work.

Sincerely,

A handwritten signature in cursive script that reads "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

DGK/dl

[LABOR]



# Office of Legislative Auditor

## Executive Summary

### Performance Audit Louisiana Department of Labor - Job Training Program

We assessed the accuracy of performance data and the effectiveness of programmatic contract monitoring for the Louisiana Department of Labor (LDOL) and three local subrecipients in Program Year 1997, which ended June 30, 1998.

**Accuracy of Performance Data.** We can be reasonably sure that Job Training Partnership Act (JTPA) performance data were accurately reported from three local Service Delivery Areas (SDAs) and a direct state contractor to LDOL and from LDOL to the federal government. LDOL also appears to have complied with federal policy regarding performance data calculation. However, because LDOL did not have clear documentation, we could not determine how some state performance indicators were calculated or if they were calculated correctly. We also noted that some performance data for the Job Training and Placement Program in the 2000-2001 State Operational Plan should be clarified in future budget submissions.

**Monitoring.** For 24 contracts we reviewed, the state and the three SDAs cannot tell whether they got full value for approximately \$4.4 million they spent on these contracts because monitoring at these SDAs and LDOL generally did not verify whether training service providers met all contract deliverables. Some of these deliverables did not say when, how well, or at what quality level the work must be performed. Monitors did not identify all contract deliverables and prepare monitoring plans for each contract. Some contracts lacked certain key provisions, and some contracts were difficult to read.

In addition, the SDAs may have spent more than necessary on some on-the-job training contracts because a few of these contracts were written for longer periods of time than may be reasonable to train people for jobs. Limiting the duration of on-the-job training may be an even larger issue under the Workforce Investment Act. The Act places fewer restrictions on on-the-job training than JTPA did.

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## **Audit Initiation and Objectives**

This performance audit of the Louisiana Department of Labor (LDOL) Job Training Program was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. The Legislative Audit Advisory Council originally approved this audit on March 12, 1998. However, because of other legislative demands, the audit was not completed at that time, and the council re-approved it on August 26, 1999. The specific audit objectives were to answer the following questions:

- Were Job Training Partnership Act (JTPA) performance data accurately reported from the Service Delivery Areas (SDAs) to LDOL and from LDOL to the federal government, the state, and its residents?
- Did monitoring at the SDA and LDOL levels verify whether training service providers met contract deliverables?

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## **Management Information System Generally Adequate**

### **JTPA Management Information System Appears to Meet Basic Requirements, Except for Updating Access**

Based on the information systems controls questionnaire we administered, it appears that the JTPA Management Information System for LDOL and the 18 SDAs met basic system requirements during Program Year (PY) 1997, with the exception of updating access for the SDA cost centers. As a result, we can place some reliance on the integrity of the data generated by these systems. However, because unauthorized persons may have had access to the data during PY 1997, it is possible that JTPA participant data could have been altered, although we found no instances of this.

*(See pages 18-21 of the report.)*

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## **Recommendation**

- 2.1 LDOL should ensure compliance with the policy of updating the LDOL and SDA cost centers periodically to remove access for employees who have been terminated or no longer require access to the mainframe. This is necessary to ensure that data in the system are secure.**



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**Participant Data  
Reported  
Accurately****Participant Data at Three SDAs and the Office of  
Women's Services Substantially Matched Data  
Stored in LDOL's Database for PY 1997**

The participant data we reviewed at three SDAs and the Office of Women's Services generally matched corresponding data in LDOL's database. Most discrepancies we found either could be explained or represented fewer than 5% of the records we checked. The governor's plan directs subrecipients and LDOL to maintain an accurate database. As a result of our review, we can be reasonably sure that for PY 1997, participant data in LDOL's system for these SDAs and the Office of Women's Services were accurate.

Although we found no significant errors that would have affected the PY 1997 performance information, we did find significant errors in training provider codes. These codes are used to identify technical institutes, colleges and universities, proprietary schools, beauty/cosmetology schools, and real estate schools. On-the-job training providers do not currently have such codes, according to LDOL officials. According to LDOL officials, the new system codes will have to match those on the Louisiana Workforce Commission's Eligible Provider List. The process they have gone through to develop this list will serve as a check on the accuracy of the codes, the officials said.

*(See pages 21-23 of the report.)*

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**Recommendation**

- 2.2 LDOL and the Louisiana Workforce Commission should ensure that training provider codes on the Eligible Provider List are accurately communicated to and used by the Workforce Investment Boards. Also, LDOL should develop training provider codes for on-the-job training providers. These steps will ensure that the Workforce Investment Boards have access to placement rates on each contractor.**

---

**Federal  
Performance  
Indicators  
Calculated  
Correctly**

**No Problems Identified With LDOL's PY 1997  
Federal Performance Indicator Calculations and  
Transmission**

LDOL's calculations of key federal performance indicators for PY 1997 matched United States Department of Labor (USDOL) instructions. Also, a federal contractor recalculated the indicators as a double check on the department's calculations. Based on our analysis and the fact that there was a dual checking system in place, we can be assured that LDOL's performance indicator calculations accurately represented the outcomes of the training programs to the federal government.

*(See pages 23-24 of the report.)*

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**State  
Performance  
Indicator  
Calculations Not  
Documented**

**LDOL Did Not Produce Clear Documentation of Its  
Calculation of State Performance Indicators for PY  
1997**

Though its federal performance indicator calculations are well documented for PY 1997, LDOL could not produce complete and accurate documentation for the calculation of its JTPA PY 1997 State Executive Budget Request performance indicators. According to the U.S. General Accounting Office, internal control systems and all transactions and other significant events are to be clearly documented. Also, the documentation is to be readily available for examination. Because LDOL did not have proper documentation, we could not determine how all of the performance indicators were calculated or if they were calculated correctly.

According to the Office of Planning and Budget, as of February 2000, LDOL had not yet submitted documentation for performance indicator calculations in its Five-Year (FY 1998 - FY 1999 through FY 2002 - FY 2003) Strategic Plan, which were due in July 1998. According to Strategic Plan Requirements at the Office of Planning and Budget, executive departments are to include written instructions for the performance indicator calculations in the back of the Strategic Plans they submit to the Office of Planning and Budget.

*(See pages 24-26 of the report.)*

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## Recommendation

- 2.3 LDOL should keep documentation of how it calculates the state performance indicators. The department should have this information readily available for examination. LDOL should submit this information to the Office of Planning and Budget with its Strategic Plan. Doing this will ensure the integrity of the numbers LDOL represents to the state as measures of its performance.**

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### Some New State Performance Indicators Could Be Improved

#### 2000-2001 State Performance Indicators for Workforce Development May Not Measure Progress Toward All Objectives

We reviewed how the state's performance data will be structured under the Workforce Investment Act. Performance indicators should measure progress toward objectives and be clear, easily understood, and non-technical. Performance indicators that fall short of these criteria may not enable users of the Executive Budget Request to determine progress made by the department's programs. Most of the performance indicators for the Job Training and Placement Program in the 2000-2001 State Operational Plan measure program outcomes reasonably well. However, a few could be clarified and others could be added.

*(See pages 26-29 of the report.)*

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## Recommendation

- 2.4 For the Job Training and Placement Program in the 2001-2002 Executive Budget Request, LDOL should work with the Office of Planning and Budget to:**
- **Add a performance indicator that clearly measures the increase in training opportunities under Objective #1 for Adult and Dislocated Workers.**

- **Clarify the youth competency attainment indicator so that readers can determine whether individuals are being counted more than once.**
- **Consider formulating separate measures for older and younger youth, in accordance with the federal performance indicators, or at least specifying what ages the state’s definition of “youth” covers.**
- **Consider developing an indicator of the program’s effect on the state’s unemployment rate or deleting this phrase from the mission statement.**
- **If the program does retain the statement about reducing unemployment in its mission statement, consider reporting the state’s unemployment rate for each program year, along with a brief narrative description of all factors that influenced it.**

---

**Certain Key Provisions Missing From Some Contracts**

**Key Provisions Make Monitoring Easier and Protect Governmental Interests**

We made a list of standard contract provisions recommended by USDOL for inclusion in training provider contracts. Most contracts in our sample contain most of these key provisions. However, we did not find that they were all clearly stated in every contract. Because certain provisions were missing, the interests of federal and state governments might not have been fully protected. Also, because certain provisions were not clearly stated, programmatic contract monitoring might not have been as effective as it could have been.

*(See pages 33-35 of the report.)*

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## **Recommendation**

- 3.1 LDOL and/or the SDAs/Workforce Investment Boards should draft and present to the Louisiana Workforce Commission standard language for contracts that includes, at a minimum, provisions required by federal laws and regulations as well as those recommended by USDOL. The provisions should be clearly stated and easy to identify. They should also include other provisions discussed above. If USDOL develops new contract guidelines for the Workforce Investment Act, then LDOL and the Workforce Investment Boards should adopt the USDOL format.**

---

### **Most Contract Deliverables Easy to Understand**

### **While Deliverables Are Generally Easy to Understand, Some Were Difficult to Identify**

Most deliverables in the contracts we reviewed were written clearly enough to be understood. However, deliverables in some contracts were hard to identify. JTPA regulations state that each recipient and subrecipient agreement shall clearly specify deliverables. If deliverables are not easy to identify, monitors and others may not understand everything the contractor is supposed to do.

*(See pages 35-39 of the report.)*

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## **Recommendation**

- 3.2 LDOL and the SDAs/Workforce Investment Boards should write contracts with training service providers so that the contractors' role in providing services is clear and the location where training will be performed is specified. When writing these contracts, LDOL and the SDAs/Workforce Investment Boards may find it useful to:**

- **Include a section in each contract listing all contractor deliverables and their associated performance standards.**
- **Make sure that all services discussed in the body of the contract are included in the deliverables section.**

---

**Not All  
Deliverables  
Have  
Performance  
Standards**

**Some Contract Deliverables Do Not Provide a Way to Measure Expected Level of Effort or Success**

More than one-fourth of the deliverables we assessed had no associated performance standards. Deliverables are not useful unless both parties can understand what the contractor is supposed to do and when, how well, or at what quality level the work must be performed. In addition, the Governmental Accounting Standards Board says that such information is needed for setting goals and objectives and monitoring results. Without performance standards, the contractor's obligations are not fully defined.

*(See pages 39-40 of the report.)*

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**Recommendation**

**3.3 LDOL and the SDAs/Workforce Investment Boards should write contracts with training service providers so that:**

- **Each deliverable has identifiable performance standards or some measurable level of service.**
- **Performance standards are adequate to address the purpose of the training and are related to training. For example, standards should cover areas for which the contractor is directly responsible and can legitimately claim credit.**

---

**Monitors Did Not  
Test All  
Deliverables****Monitors Did Not Verify That Contractors Provided  
Some Services Promised in Contracts**

Based on the information in their files, monitors at the three SDAs and at the state level did not verify that contractors delivered all services described in the contracts. According to USDOL, monitoring requires at least sample verification of contractors' reports of performance at reasonable intervals. If this information is not verified, local and state governments, as well as the public, may not know whether training service providers have done what they promised to do. Furthermore, taxpayers do not know if they received full value for the approximately \$3.2 million allocated in PY 1997 for the contracts we reviewed.

*(See pages 40-44 of the report.)*

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**Recommendations****3.4 LDOL should develop programmatic monitoring guidelines for itself and the SDAs/Workforce Investment Boards that include the following:**

- **Monitors at the SDAs/Workforce Investment Boards and LDOL monitors who are responsible for direct state contracts should identify and list all contract deliverables. They should then verify that each one was produced. Their reports should state that they have done this assessment and provide the results.**
- **Monitors should identify the sources of information in their reports.**
- **Monitors should also keep documents in their monitoring files that verify delivery of critical deliverables.**

**3.5 LDOL should present these guidelines to the Louisiana Workforce Commission. The commission should recommend that the SDAs/Workforce Investment Boards adopt such guidelines as programmatic monitoring policy.**

**LDOL monitors should verify compliance with the policy.**

- 3.6 When LDOL redesigns its participant database, it should consider building in the capability for appropriate local workforce investment staff to make inquiries of performance results by contractor, including on-the-job training contractors.**

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**Some Monitoring Reports Unlocated; Workpapers Not Signed or Dated**

**SDAs and LDOL Could Not Locate Some Reports; Monitors Did Not Sign and Date All Workpapers**

SDA staff could not find two monitoring reports for PY 1997, and SDA and LDOL staff had difficulty locating other reports. In addition, some monitoring files contained workpapers with confusing notation and incomplete responses to checklist items. According to the U.S. General Accounting Office, internal control systems and all transactions and other significant events are to be clearly documented, and the documentation is to be readily available for examination. In these cases, LDOL and the SDAs have no proof that monitoring was done or that the monitors' conclusions were adequately supported.

*(See pages 45-46 of the report.)*

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**Recommendations**

- 3.7 LDOL and the SDAs/Workforce Investment Boards should create and/or properly maintain a central filing procedure so that authorized users can easily locate monitoring reports and files.**
- 3.8 LDOL and SDA/Workforce Investment Board monitors should initial and date all workpapers in their files.**



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**Monitors Did Not  
Develop  
Comprehensive  
Plans****Monitors Did Not Develop Monitoring Plans for  
Individual Contracts**

We found no evidence of a comprehensive monitoring plan for any single contract we reviewed. According to a training manual published by the U.S. Department of Labor, contract monitors should identify all contract obligations, then develop and execute a monitoring plan. As a result of inadequate planning, the monitors may not have monitored all contracts or considered all contract deliverables.

*(See page 47 of the report.)*

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**Recommendation**

- 3.9 SDA/Workforce Investment Board monitors should develop monitoring plans for each contract. Doing so will help ensure that each contract is monitored and that critical aspects of training providers' performance are reviewed.**

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**No Evidence of  
Management  
Review****Management at One SDA Did Not Sign Monitoring  
Reports**

We found no evidence that management at the Baton Rouge SDA reviewed the monitoring reports. In addition, this SDA produced no evidence that management was aware of the monitor's findings. Management should recognize the importance of implementing internal controls. If management does not review monitoring reports or pursue findings, then this important control function does not provide any oversight.

*(See pages 47-48 of the report.)*

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## Recommendation

- 3.10 Management at the SDAs/Workforce Investment Boards should review and sign all monitoring reports, ensure that findings are followed up, and submit monitoring summary information to the bodies responsible for oversight on a regular basis.**

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### **Some On-the-Job Training Times May Be Excessive**

### **Use of One Calculation Method at Two SDAs Resulted in More Training Hours Than Appear Reasonable**

Some of the training times in on-the-job training contracts we tested exceed the USDOL Dictionary of Occupational Titles' recommended length of training for those occupations. This happened because two SDAs used an alternate method to calculate how long training should last. As a result, the SDAs may have spent more than was reasonable for these contracts. This situation may be magnified under the Workforce Investment Act, which has fewer restrictions for on-the-job training.

*(See pages 49-51 of the report.)*

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## Recommendation

- 3.11 The state and/or the SDAs/Workforce Investment Boards should develop, recommend to the Louisiana Workforce Commission, and implement a written on-the-job training policy. This policy should define how the Workforce Investment Boards should determine training times for on-the-job training contracts, using a reasonable standard. The LDOL monitors should review compliance with the policy.**



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# Chapter 1: Introduction

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## **Audit Initiation and Objectives**

This performance audit of the Louisiana Department of Labor (LDOL) Job Training Program was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. The Legislative Audit Advisory Council originally approved this audit on March 12, 1998. However, because of other legislative demands, the audit was not completed at that time, and the council re-approved it on August 26, 1999. The specific audit objectives were to answer the following questions:

- Were Job Training Partnership Act (JTPA) performance data accurately reported from the Service Delivery Areas (SDAs) to LDOL and from LDOL to the federal government, the state, and its residents?
- Did monitoring at the SDA and LDOL levels verify whether training service providers met contract deliverables?

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## **Report Conclusions**

### **Accuracy of Performance Data**

**Participant data transmission from the three Service Delivery Areas (SDAs) and the direct state contractor we reviewed to LDOL and then to the federal government was substantially accurate in PY 1997. Also, LDOL calculated federal performance indicators correctly for the training programs.**

**Although its federal performance indicator calculations are documented for PY 1997, LDOL could not produce complete and accurate documentation for the calculation of its JTPA State Executive Budget performance indicators for the same program year. Because LDOL did not have proper documentation, we could not determine how all state performance indicators were calculated or if they were calculated correctly.**

**We also assessed performance indicators in LDOL's latest Executive Budget Request submission. Most of the performance indicators for the Job Training and Placement Program in the 2000-2001 State Operational Plan measure program outcomes reasonably well. However, a few**

**performance indicators should be clarified and others should be added in future submissions.**

## **Monitoring**

**Monitors at the three SDAs where we conducted detailed audit work did not verify whether training service providers produced all programmatic deliverables described in their contracts. The monitors generally did not identify or list contract deliverables or prepare specific monitoring plans for each contract. As a result, no one may know whether the training providers did everything they promised to do in their contracts.**

**Some of these contracts were missing certain key provisions. Also, deliverables in most of the contracts were easy to identify, but they were hard to discern for a few contracts serving youth and one classroom-sized contract. In addition, about one-fourth of the deliverables we assessed did not say when, how well, or at what quality level the work must be performed. Without all of this information, the contracts would have been difficult to monitor.**

**Finally, we tested the length of training for on-the-job training contracts. A few of these contracts were written for longer periods of time than may be reasonable to train people for jobs. The two SDAs that wrote these contracts were using a method to determine training times that was not intended for SDA use. The duration of on-the-job training may be an even larger issue under the Workforce Investment Act. This is because the act places fewer restrictions on on-the-job training than JTPA did.**

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## **Background**

## **Program Authority and Significance**

LDOL was created by Act 83 of 1977, which enacted Louisiana Revised Statute (R.S.) 36:301. The department was created to “administer and enforce laws and programs designed to protect the economic and physical well-being of Louisiana’s work force.” The law also directs the department to coordinate and administer programs conducted by the state, or jointly with federal agencies, in the areas of labor-management relations, manpower evaluation and training, employment, unemployment compensation, job safety, and the licensing and regulation of certain types of work.

LDOL is composed of the following offices:

- Executive Office of the Secretary
- Office of Management and Finance
- Office of Occupational Information Services
- Office of Workforce Development
- Office of Regulatory Services
- Office of Workers' Compensation Administration

According to the Office of Planning and Budget, LDOL was allocated \$162,184,509 for Fiscal Year Ended (FYE) June 30, 1998. Of this total, the job training area covered by the JTPA was allocated more than \$69 million in federal funds for Program Year 1997 (PY 1997), which covers July 1, 1997, through June 30, 1998, the year we audited.

We concentrated on job training programs because the amount of money allocated to them is significant and because this issue has generated much attention from the governor, the legislature, and the media. The JTPA program provides services for the following individuals:

- **Title II-A Training Programs for Older Individuals:** Provides training to eligible applicants who are 55 years of age or older.
- **Title II-A and Title II-C Training Services for the Disadvantaged:** Assists economically disadvantaged adults and youth who are facing serious barriers to employment.
- **Title II-B Summer Youth Employment and Training Program:** Provides work experience to economically disadvantaged youth (ages 14-21) during the summer.
- **Title III Dislocated Worker Program:** Helps workers who have become unemployed because of plant closings or permanent layoffs.

Although LDOL receives job-training dollars from the federal government, the Louisiana Workforce Commission sets policy for the job training programs. The commission was created

in the Office of the Governor by the Louisiana Workforce Act of 1997. LDOL submits a copy of its workforce budget request to the commission for its approval.

### **How the Program Works**

Job training is a program in transition. Currently, the federal law governing it is JTPA. This year marks the transition to the federal Workforce Investment Act of 1998, whose provisions will become fully effective July 1, 2000. In 1997, Louisiana passed the Louisiana Workforce Act (Act I of 1997), which includes many of the provisions of the federal Workforce Investment Act.

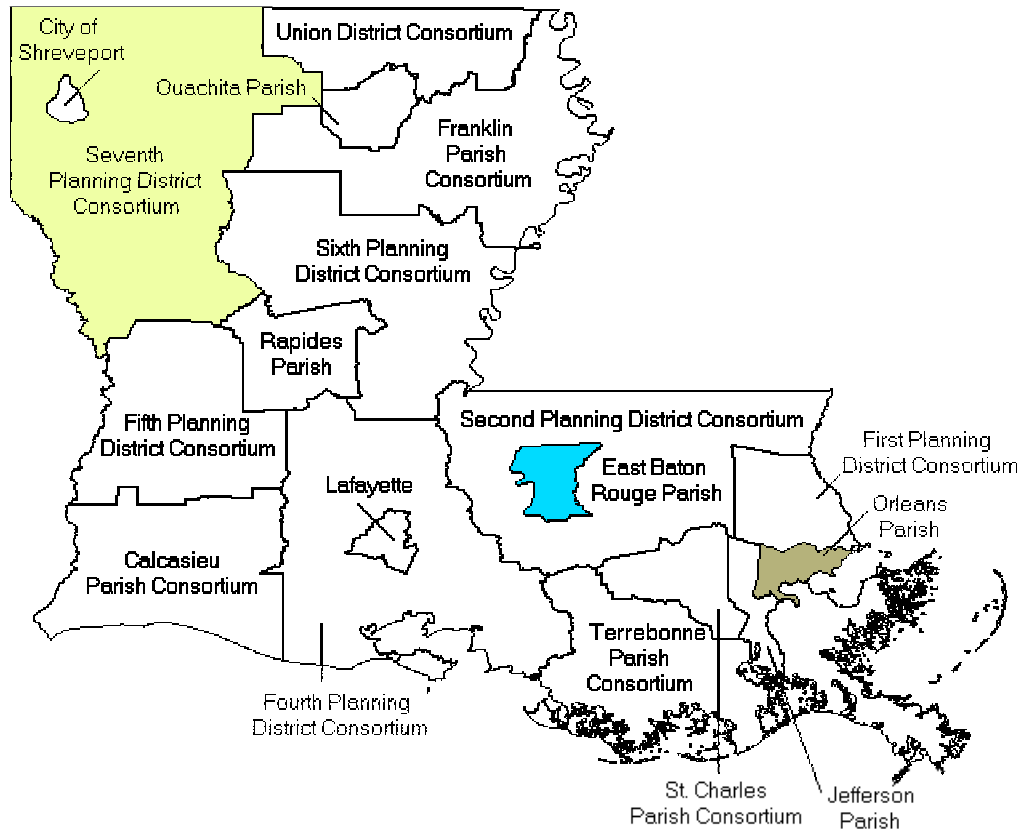
The Workforce Investment Act and the Louisiana Workforce Act, which will govern state and federal training programs for years to come, emphasize training for jobs and performance measurement related to that training. The performance of training providers funded by JTPA and the Workforce Investment Act is currently and will continue to be measured by performance indicators.

Local Service Delivery Areas generate the information used to produce most of these indicators. There are 18 of these SDAs designated by the governor under JTPA. Exhibit 1-1 shows the locations of the 18 SDAs.

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**Exhibit 1-1**  
**Eighteen Service Delivery Areas Under**  
**the Louisiana Department of Labor**

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**Note:** Shading indicates the SDAs in which we conducted work.

**Source:** Prepared by legislative auditor's staff using data from <http://www.ldol.state.la.us>.

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The SDAs are run by local entities that receive and administer JTPA funds. The entity that administers the SDA can be the local chief elected official, another administrative entity, or the local Private Industry Council. The Private Industry Councils provide policy guidance and oversight for the SDAs in partnership with local governments. The SDAs will become Workforce Investment Areas under the Workforce Investment Act.

Often, the SDAs contract with training providers to provide job training and other services. The SDAs pay these contractors with federal JTPA funds received from LDOL. Available funding for the SDAs amounted to \$56,578,073 in PY 1997. In other



cases, LDOL awards grants directly to training providers. These subrecipients are called substate areas or direct state contractors. In PY 1997, LDOL spent about \$7 million on these contracts, according to LDOL officials.

SDA and direct state contractor employees key individual data records documenting clients' entry into and completion of the JTPA training programs, as well as subsequent employment, on-line into LDOL's JTPA Management Information System. At LDOL, computer programs aggregate and manipulate these data to produce various performance indicators. The performance indicators appear in two places:

- The Executive Budget Request, a document representing the governor's formal request for funding for executive branch agencies
- LDOL's reporting to the federal government, which can result in incentives for the State of Louisiana

Under state law (R.S. 23:73-75), the Louisiana Workforce Commission, through LDOL, must produce a scorecard this year that summarizes the performance of individual training providers. People seeking training will be able to view this information on the world wide web. Thus, information generated locally on individual clients is rolled up into performance indicators to help residents, state lawmakers, and federal officials make decisions concerning training providers and programs. The SDAs, LDOL, and the USDOL have monitoring functions that review training providers and programs.

### **How Performance Data Get to LDOL**

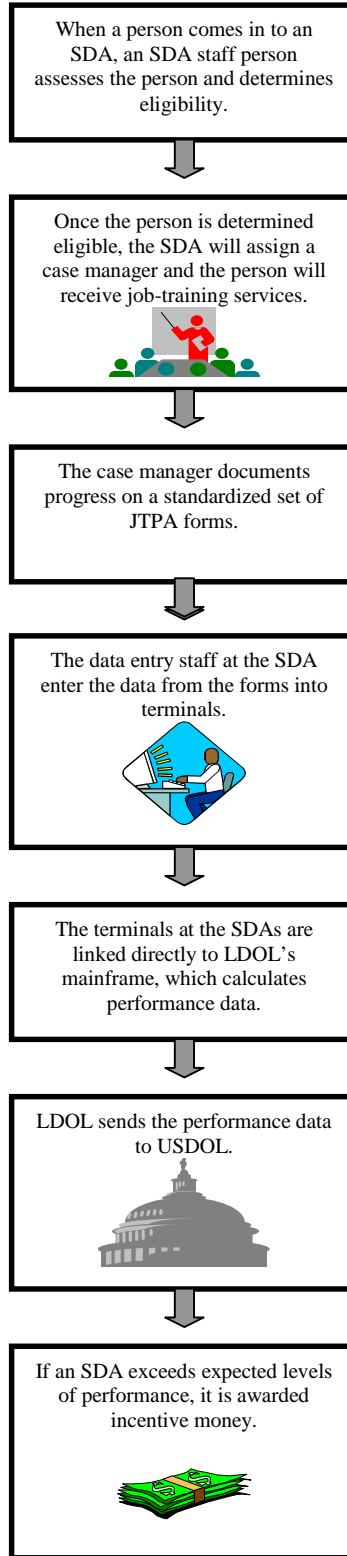
The data that LDOL uses to calculate federal and state performance indicators come from the SDAs and the direct state contractors. When a person comes into an SDA to receive services, a staff member at the SDA assesses the individual and determines eligibility. Once the person has been determined eligible, the case manager fills out a standardized set of forms on that person, who is at that point called a JTPA participant. A data entry employee at the SDA types the information from the forms into a terminal that is linked directly to LDOL's mainframe. These data are stored on the mainframe at LDOL.

Computer programmers at LDOL program the mainframe to calculate the federal indicators based on instructions from the USDOL. The mainframe calculates the federal performance indicators, and LDOL transmits the annual report to USDOL via modem. LDOL also sends quarterly reports on paper. USDOL also requires states to send raw data to a contracted private company, Social Policy Research, which then recalculates the indicators. If SDAs exceed their expected levels of performance, USDOL awards them with incentive money. In PY 1997, LDOL used hard copies of reports from the mainframe to manually calculate the state executive budget performance indicators. Exhibit 1-2 shows the steps in the performance data reporting process.

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**Exhibit 1-2: How Performance Data Get to LDOL and USDOL**

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**Source:** Prepared by legislative auditor's staff using data from LDOL.

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## **How the JTPA Management Information System Works**

Each SDA has a Management Information System division that is responsible for the input of participant information. LDOL distributes a copy of the JTPA/Management Information System handbook to each SDA. The Management Information System handbook serves as the written policy and procedures manual to be used by each SDA with regard to its Management Information System.

Management Information System employees must have user identifications and passwords to enter participant information. The participant information flows as follows:

- Once data are entered, the system keeps the data in a hanging file. SDA employees have access to make changes to the data while the data remain in the hanging file.
- The data go through an on-line edit program. The hanging file will not accept data that do not pass all on-line edits, and there will be no record of any input. When all corrections have been made, the hanging file accepts the data.
- The system removes data from the hanging file during the nightly batch process. Once a document passes the nightly processing, it goes through another on-line edit process. If it passes the edits, the JTPA Statewide Master File accepts it.
- LDOL sends daily edit report printouts to the SDAs the day after the SDAs input the data. The reports include the date the data were input, the initials of the individual who input the data, and whether the data were accepted or rejected. The SDAs can use these reports to validate against their source documents.
- Only LDOL can make corrections to the data once the data are accepted by the JTPA Statewide Master File. If the SDAs notice incorrect information on the daily edit reports, they must notify LDOL in writing. An LDOL Management Information System employee makes the necessary corrections.

## How Monitoring Works

Under JTPA, the state is responsible for monitoring subrecipients, which include SDAs and direct state contractors (sub-state grantees). These subrecipients, in turn, are responsible for monitoring the entities and vendors with whom they contract. This basic arrangement will continue under the Workforce Investment Act.

JTPA regulations (Section 627.475) require USDOL to monitor the states' efforts under JTPA. The governors, in turn, must make sure that all areas of SDA and sub-state grantees' operations are monitored at least once per year [Section 627.475 (b)(5)]. This regulation further requires the governors to issue instructions on the development of SDA and direct state contractor monitoring plans. Finally, the regulations [Section 627.475 (e)(1)] say that the Private Industry Councils have responsibility for oversight of SDA performance, which includes contract administration. Contract administration encompasses monitoring.

Under the Workforce Investment Act, responsibility for monitoring belongs to the Workforce Investment Boards. Section 117(d)(4) of the act says that the local workforce investment boards, in partnership with the chief elected officials, shall conduct oversight of local programs of youth activities, local employment, and training activities, as well as the local one-stop delivery systems. *Louisiana's Unified State Plan for Workforce Development under the Workforce Investment Act of 1998* says that each local board shall monitor the performance of providers in complying with the terms of grants, contracts, or other agreements made pursuant to Title I of the Workforce Investment Act.

The Unified Plan also assigns monitoring responsibility for the performance of providers to the state. Furthermore, Workforce Investment Act regulations [Section 667.410 (b)] require the state to monitor local areas annually. This regulation also states that the governor is responsible for developing a state monitoring system that enables him to determine whether subrecipients and contractors comply with the act. Thus, the state is responsible for designing a monitoring system for the future.

## Types of Training Offered Under JTPA and Workforce Investment Act

JTPA offers a range of training programs to adults and youth, including the following types:

- **Off-the-Shelf:** Commercially available training packages sold to the general public at catalogue or market tuition prices
- **Classroom-sized projects:** Customized training for special targeted groups
- **On-the-Job Training:** Occupational training given by a public or private sector employer who is reimbursed for extraordinary costs
- **Youth Training Program:** Year-round job skills and academic training for out-of-school and in-school youth, at least 65% of whom are hard to serve
- **Summer Youth Training Program:** Summer basic or remedial education and pre-employment work maturity skills for economically disadvantaged youth
- **Work Experience:** Short-term or part-time training assignments with public or private non-profit organizations for participants who need to become accustomed to basic work requirements

These services will continue to be offered under the Workforce Investment Act, with some changes.

LDOL's major responsibilities under the Workforce Investment Act are encompassed under Titles I and III. Under the new law, adult and dislocated workers will purchase training services from state-approved eligible providers they select in consultation with their case managers. Generally, these providers will be tuition vendors. This arrangement is known as an Individual Training Account (Workforce Investment Act regulation 663.410). However, customized training may still be offered under the Workforce Investment Act. The law [Workforce Investment Act Section 134(d)(4)(G)(ii)] provides for three

exceptions to the training account arrangement, as determined by the local Workforce Investment Boards. They are when:

- An individual employer needs customized training.
- An area lacks eligible training providers.
- A program whose effectiveness is demonstrated is offered by a community-based or private organization.

For youth, there is no longer a separate summer program under the Workforce Investment Act. Local programs must offer 10 program elements. These elements include services ranging from job training to supportive services and leadership skills, according to Workforce Investment Act Section 129(c)(2). On-the-job training contracts will also continue to be offered as defined in Workforce Investment Act Section 101(31). For on-the-job training and customized training providers, One-Stop operators must collect performance information on the providers and disseminate the list of eligible providers to participants, according to Workforce Investment Act regulation Section 663.595.

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## **Scope and Methodology**

This audit was conducted under the provisions of Title 22 of the Louisiana Revised Statutes of 1950. All performance audits are conducted in accordance with generally accepted government auditing standards as promulgated by the Comptroller General of the United States.

Fieldwork for this audit began in July 1999 and ended in January 2000. We chose to audit data from PY 1997 so that we would be assured of access to complete sets of data and monitoring reports at the federal, state, and local levels.

To address the audit objectives, we reviewed relevant state and federal laws and regulations related to job training. Because the USDOL had not issued final Workforce Investment Act regulations when we were finishing our fieldwork, we reviewed the interim final regulations. To assess whether performance data were accurate, we developed and administered an information system controls questionnaire, which we sent to LDOL and to each of the 18 SDAs. We reviewed USDOL and LDOL policies and spoke with LDOL officials to ascertain how performance data were calculated. We sampled provider contracts and monitoring files to assess the quality of monitoring.

Because we could not conduct all of our tests in 18 locations, we selected three SDAs and one direct state contract for extended audit work. For each of these, we sampled individual participant records in LDOL's Management Information System and tested them for accuracy. We also evaluated the monitoring efforts for a sample of contracts at the SDAs and for the direct state contract.

### **Selection of the SDAs**

We focused our audit efforts primarily on SDAs because SDAs accounted for \$56.6 million of federal funding in PY 1997. In contrast, direct contractors received only about \$7 million. In selecting three SDAs for extended audit work, we took the following factors into consideration:

- **SDA type (single-city or parish vs. multi-parish consortium).** Some SDAs comprise a single urban area, while others cover a multi-parish consortium. We selected at least one of each type.
- **Amount and percentage of the state's federal financial assistance** for PY 1997. The SDAs we selected received a significant amount of federal funding allotted to the state during this program year.
- **Population.** The SDAs we selected cover a significant portion of the state's population.
- **Geographic location.** The SDAs we selected cover various geographic regions in the state, as can be seen from the map in Exhibit 1-1 on page 5.

Based on these factors, we chose the following three SDAs for our detailed audit work:



**Exhibit 1-3****Criteria Used to Select SDAs**

<b>SDA</b>	<b>Funding (Percentage of State/Federal JTPA Funds for PY 1997)</b>	<b>Population (% of State Population)</b>
<b>SDA 12</b> <b>Orleans Parish</b>	\$7,534,651 (13.32%)	486,036 (11.20%)
<b>SDA 21</b> <b>East Baton Rouge Parish</b>	\$4,140,420 (7.32%)	398,661 (9.19%)
<b>SDA 70</b> <b>7<sup>th</sup> Planning District Consortium</b>	\$4,370,637 (7.72%)	349,766 (8.06%)
<b>TOTAL</b>	<b>\$16,045,708 (28.36%)</b>	<b>1,234,463 (28.45%)</b>

**Source:** Prepared by legislative auditor's staff using data provided by LDOL.

The three SDAs we selected also represent each of the three types of SDA administrative arrangements. As previously stated, depending on local circumstances, either a Private Industry Council, a local elected official, or another administrative entity may run an SDA. The Orleans Private Industry Council runs SDA 12, the Mayor's Office for the City-Parish of East Baton Rouge runs SDA 21, and an administrative entity runs SDA 70. This entity is the Coordinating and Development Corporation, which also handles economic development for a multi-parish consortium that includes the following parishes: Bienville, Bossier, Caddo (except the City of Shreveport), Claiborne, DeSoto, Lincoln, Natchitoches, Red River, Sabine, and Webster.

In addition to the three SDAs, we also selected one direct state contract for which to test participant files. This contract was allocated a significant portion of the JTPA money for direct state contractors in PY 1997. The two largest direct contracts were with the state Department of Education (about \$3.6 million) and the

Office of Women's Services (about \$1.2 million). Since the state Department of Education receives a greater amount of review by our office, we selected the Office of Women's Services. This allowed coverage of almost 17% of direct state contractor dollars. During PY 1997, the Office of Women's Services had six statewide training locations. We reviewed files in the Office of Women's Services locations in the cities where we reviewed SDAs.

### **Testing of Participant Data and Monitoring**

To test the integrity of the participant information at the SDAs and Office of Women's Services, we selected a statistically valid random sample of participant files for review. We selected only participants whom the SDAs and Office of Women's Services had contacted for follow-up during PY 1997. Our selection resulted in 85 Orleans Private Industry Council files, 79 Baton Rouge files, 87 SDA #70 files, and 96 Office of Women's Services files. We reviewed only data fields that were used in calculating or weighting the key federal and state indicators. We compared the participant data recorded on the Management Information System to hard copy documentation kept at the four locations.

To test the quality of monitoring efforts, we reviewed training provider contracts from each sampled SDA and from LDOL for the direct state contract with the Office of Women's Services. We identified the deliverables in these contracts. Through interviews, file reviews, and analysis of various documents at LDOL and the SDAs, we evaluated whether monitoring efforts ensured that the contractors provided the deliverables agreed upon in the contracts.

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## **Report Organization**

The remainder of this report is organized into two additional chapters and six appendices as follows:

- ◆ **Chapter 2** addresses JTPA performance data accuracy and whether data were accurately reported from the SDAs to LDOL and from LDOL to the federal government, the state, and its residents. This chapter also includes information about our review of state performance information under the Workforce Investment Act.

- ◆ **Chapter 3** addresses whether monitors verified whether providers met contract deliverables. This chapter also presents the results of our analysis of training times for on-the-job training contracts.
- ◆ **Appendix A** contains a list of acronyms used in this report.
- ◆ **Appendix B** contains a copy of the information systems questionnaire we administered to LDOL.
- ◆ **Appendix C** contains a copy of the information systems questionnaire we administered to the 18 SDAs.
- ◆ **Appendix D** contains a list of the contract provisions we evaluated.
- ◆ **Appendix E** contains the response of the Louisiana Department of Labor.
- ◆ **Appendix F** contains the responses of the three SDAs where we conducted work.

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# Chapter 2: Accuracy of Performance Data

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## Chapter Conclusions

**Participant data transmission from three Service Delivery Areas (SDAs) and the direct state contractor we reviewed to LDOL and then to the federal government was substantially accurate in PY 1997. Also, LDOL calculated federal performance indicators correctly for the training programs.**

**Although its federal performance indicator calculations are documented for PY 1997, LDOL could not produce complete and accurate documentation for the calculation of its JTPA State Executive Budget Request performance indicators for the same program year. Because LDOL did not have proper documentation, we could not determine how all state performance indicators were calculated or if they were calculated correctly.**

**We assessed performance indicators in LDOL's latest Executive Budget Request submission. Most of the performance indicators for the Job Training and Placement Program in the 2000-2001 State Operational Plan measure program outcomes reasonably well. However, a few performance indicators should be clarified and others should be added in future submissions.**

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## Background

According to the Governor's Coordination and Special Services Plan for PY 1997, LDOL and the SDAs must maintain financial management and participant data systems. These systems shall provide federally required reports that are uniform in definition, accessible to authorized federal and state staff, and verifiable for monitoring, reporting, audit, program management, and evaluation purposes. We tested the data in these systems to determine whether:

- The LDOL Management Information System that transmitted the data between the SDAs and LDOL could be relied upon.
- The participant data from the SDA files were accurately reported to LDOL and from there to the federal government.
- LDOL properly calculated state and federal performance indicators.

As outlined in the Scope and Methodology section in Chapter 1, we tested data from PY 1997, which concluded June 30, 1998. We also considered issues that will affect performance information under the Workforce Investment Act.

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**Management  
Information  
System Generally  
Adequate**

**JTPA Management Information System Appears to Meet Basic Requirements, Except for Updating Access**

Based on the information systems controls questionnaire we administered, it appears that the JTPA Management Information System for LDOL and the 18 SDAs met basic system requirements during PY 1997, with the exception of updating access for the SDA cost centers. As a result, we can place some reliance on the integrity of the data generated by these systems. However, because unauthorized persons may have had access to the data during PY 1997, it is possible that JTPA participant data could have been altered, although we found no instances of this.

The JTPA Management Information System appeared to contain basic components that we look for when we assess information systems (see Appendix C). We developed the information systems questionnaire based on these components and administered it to LDOL and the 18 service delivery areas. We sent the questionnaire to each of the SDAs to obtain a full representation of SDAs throughout the state. The questionnaire addressed issues in the following areas:

- Organization and Management of Information System Activities
- Computer Operations
- Security Administration Policies and Procedures
- Logical Security
- Internal Audit of Information System Activities
- Input Controls
- Output Controls
- Processing Controls

## System Access Not Regularly Updated

Although the system appeared generally adequate based on the responses to our questionnaire, we did note one area where controls were weak. The Office of Legislative Auditor's Financial and Compliance auditors found that some terminated employees still had mainframe access. In addition, LDOL did not update its SDA cost centers to delete employees that no longer required access to the mainframe. According to LDOL officials, access is supposed to be updated annually. Because access was not deleted for these individuals, it is possible that someone could have gained unauthorized access and altered data at LDOL or at the SDAs before it was sent to the mainframe. We did not, however, note any instances of this.

The financial audit report issued February 2, 2000, found that the department did not adequately document and monitor logical access to its various information systems to ensure the integrity of programs, processing, and data. This same situation is likely to have occurred during PY 1997. Some SDA employees who were terminated or no longer required access to the mainframe were also still assigned passwords and user identifications. The cost center managers are supposed to delete the user ID of any individual that terminates, retires, or transfers to another cost center. If the employee transfers to a different area, the former cost center manager should delete the individual from his cost center, and the new cost center manager should re-create the individual's identification in his cost center. Doing so would prevent employees from having inappropriate access.

Also, according to the financial audit report, LDOL did not have a comprehensive written security policy. In November 1996, LDOL sent a memo to the SDA directors and Management Information System supervisors instructing them to notify LDOL when employees terminate employment with their SDAs. Apparently, there were no control systems in place to ensure that this policy was being adhered to.

We brought this matter to LDOL's attention during the audit. In response, an LDOL official stated that the department would institute a policy to update the SDA cost centers. The official sent correspondence to the appropriate individual to update the SDA cost centers to include or remove individuals that required mainframe access. In its response to the financial audit, LDOL outlined a corrective action plan for information system access.

## **JTPA Management Information System Has Strengths**

Regardless of the security problems, the JTPA Management Information System contains most of the recommended elements. We noted the following strengths of the LDOL Management Information System, as reported in the questionnaire we administered:

- The system contains entries in required fields.
- The system contains on-line edits. These edits help prevent duplicate entry of social security numbers. For instance, if an employee attempts to enter the social security number of a participant that is already enrolled, an error message appears, and the employee is not allowed to continue processing.
- The data entry personnel at the SDAs can validate the daily edit reports. Each day, the SDAs receive daily edit reports of their input from the prior day. The daily edit reports list which data were accepted or rejected. The SDAs can use these reports to check back to their source documents to ensure that they entered and sent correct information to LDOL.
- Employees at LDOL make corrections based on edit reports. If SDAs notice errors on the daily edit reports, they send the information to LDOL for correction.
- LDOL has security software that interfaces with other software and requires user identifications and passwords to access programs and data. However, as previously discussed, this system is not being used to its full capability.
- We found in our work on participant files that participant data in the SDA files substantially matched LDOL's database, as discussed later in this chapter.

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## Recommendation

- 2.1 LDOL should ensure compliance with the policy of updating the LDOL and SDA cost centers periodically to remove access for employees who have been terminated or no longer require access to the mainframe. This is necessary to ensure that data in the system are secure.**

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### Participant Data Reported Accurately

### Participant Data at Three SDAs and Office of Women's Services Substantially Matched Data Stored in LDOL's Database for PY 1997

The participant data we reviewed at three SDAs and the Office of Women's Services generally matched corresponding data in LDOL's database. Most discrepancies we found either could be explained or represented fewer than 5% of the records we checked. The governor's plan directs subrecipients and LDOL to maintain an accurate database. As a result of our review, we can be reasonably sure that for PY 1997, participant data in LDOL's system for these SDAs and the Office of Women's Services were accurate.

To test the data, we obtained an electronic copy of the LDOL JTPA participant database for PY 1997. We then compared data from standard participant forms filed at the SDAs and Office of Women's Services to the electronic data on the database for a statistically valid sample of participants. We compared only those data fields that LDOL used in filtering, calculating, or weighting key federal and state performance indicators.

Although we found a few discrepancies during our file reviews, none would have materially affected the federal performance indicators for PY 1997. However, we cannot tell whether state performance indicators would have been affected because LDOL was unable to tell us exactly how the state performance indicators were calculated for that year.

We used a 5% materiality threshold in our comparison. That means we investigated any data fields where more than 5% of the records in the participant files from a single SDA did not match the records in LDOL's database. Most items that did not match could be explained. Those that could not be explained fell below the 5% materiality threshold. Most of the discrepancies we did find could be explained. In some cases, the database entry appeared to



correct an incorrect entry on the forms. In other cases, the fields did not match, but would not have affected the indicators.

According to the Governor's Coordination and Special Services Plan for PY 1997, LDOL and any subrecipients of JTPA funds must maintain verifiable participant data systems to provide federally required reports. If most of the electronic data had not matched information in the participant files, any errors would have affected performance information and ultimately performance incentives. This is because the information is reported by LDOL to the US Department of Labor (USDOL). It also forms the basis for the performance indicators reported to the state's Division of Administration as part of the state's Executive Budget Request. Federal incentives and sanctions in the JTPA program are handed down to the SDAs through the state based on how the federal performance information compares with expected performance standards [PL 97-300 Sec 106(b)(7) and Sec 106(j)]. Incorrectly reported data fields could artificially inflate or deflate certain performance indicators, which could then raise or lower the amount of funds received.

Because the information in the participants' files we tested was substantially consistent with that recorded in LDOL's database, we are confident that LDOL's database accurately represents participant data at the three SDAs and Office of Women's Services for PY 1997. This result indicates that participant data accuracy is probably a low risk area at these locations. If other SDAs handle participant data in the same manner, their participant data are probably reliable, as well.

Although we found no significant errors that would have affected the PY 1997 performance information, we did find significant errors in training provider codes. These codes are used to identify technical institutes, colleges and universities, proprietary schools, beauty/cosmetology schools, and real estate schools. On-the-job training providers do not currently have such codes, according to LDOL officials.

In many cases, the training provider codes in the participant files at the SDAs and Office of Women's Services did not match the codes in the LDOL database. LDOL officials told us that the SDAs were not required to use the codes to identify training providers before PY 1995. Apparently, the SDAs did not understand the codes because there was some miscommunication during the first year of this requirement. The discrepancies we noted had no effect on the PY 1997 performance indicators, but

they should be addressed when LDOL develops its new database for the Workforce Investment Act. Ultimately, these codes could be used by local Workforce Investment Boards to help verify important deliverables such as placement and wages by contractor. Thus, the codes should be accurately communicated to all who will use them. According to LDOL officials, the new system codes will have to match those on the Louisiana Workforce Commission's Eligible Provider List. The process they have gone through to develop this list will serve as a check on the accuracy of the codes, the officials said.

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## Recommendation

- 2.2 LDOL and the Louisiana Workforce Commission should ensure that training provider codes on the Eligible Provider List are accurately communicated to and used by the Workforce Investment Boards. Also, LDOL should develop training provider codes for on-the-job training providers. These steps will ensure that the Workforce Investment Boards have access to placement rates on each contractor.**

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## Federal Performance Indicators Calculated Correctly

### No Problems Identified With LDOL's PY 1997 Federal Performance Indicator Calculations and Transmission

LDOL's calculations of key federal performance indicators for PY 1997 matched USDOL instructions. Also, a federal contractor recalculated the indicators as a double check on the department's calculations. Based on our analysis and the fact that there was a dual checking system in place, we can be assured that LDOL's performance indicator calculations accurately represented the outcomes of the training programs to the federal government.

We tested the calculation of the PY 1997 federal performance indicators in three ways to determine whether they were accurate.

- First, we compared LDOL's documentation of the performance indicators to federal policy. We found that the USDOL Training and Employment Guidance Letter No 4-95 Change 1 that we obtained from LDOL matched the official Training

Employment Guidance Letter instructions that USDOL gave us.

- Next, we obtained a narrative description from an LDOL employee who constructed an unofficial double-check program on his computer. Staff at LDOL compared the results calculated in his program to the mainframe results before they were sent out to USDOL. We compared his narrative instructions to the federally issued Training Employment Guidance Letter. We found his instructions to be substantially in compliance with federal policy.
- Finally, we sent a copy of this employee's narrative instructions to USDOL for its staff to verify. USDOL staff noted eight observations primarily regarding the clarity of his instructions, but we resolved them all.

In addition to the report that the mainframe generates for USDOL, the states are required to send raw data to a private contractor, Social Policy Research. Social Policy Research takes the raw data and recalculates the indicators. This serves as a check so that USDOL can be sure that the indicators were calculated correctly. A USDOL official confirmed that Social Policy Research reported no problems with data transmission from LDOL for PY 1997.

Based on this information, we can rely on LDOL's performance indicator calculations to accurately represent the outcomes of the training programs to the federal government for PY 1997.

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**State  
Performance  
Indicator  
Calculations Not  
Documented**

**LDOL Did Not Produce Clear Documentation of Its Calculation of State Performance Indicators for PY 1997**

Although its federal performance indicator calculations are well documented for PY 1997, LDOL could not produce complete and accurate documentation for the calculation of its JTPA PY 1997 State Executive Budget Request performance indicators. According to the U.S. General Accounting Office, internal control systems and all transactions and other significant events are to be clearly documented. Also, the documentation is to be readily available for examination. Because LDOL did not have proper

documentation, we could not determine how all of the performance indicators were calculated or if they were calculated correctly.

We requested documentation for all the calculations of the state performance indicators in June 1999. At the time of our request, LDOL staff did not have clear documentation. They also told us that performance indicators were calculated manually, and that they would put something in writing for us. LDOL staff took over two months to prepare this documentation. When they finally sent the calculation “instructions,” they were incomplete and inaccurate. In fact, they were merely a copy of the fourth quarter performance progress report for FYE June 30, 1998. While this report documents progress toward goals, it does not show calculation of the performance indicator values. For us to calculate these numbers, it took many telephone interviews and meetings. By trial and error, we were eventually able to reproduce most, but not all, of the indicators.

The program’s results are significant, so it is important for the department to be able to tell how they calculated the performance indicators. Production of performance results for the Executive Budget Request is an internal control system over a significant event. Thus, LDOL should document calculations as a matter of practice, even if no one required them to do so.

Now, the Office of Planning and Budget does require calculation instructions for indicators in the process documentation for the Strategic Plan. The following addresses a current situation regarding LDOL’s submission of this documentation of performance indicator calculations.

### **According to the Office of Planning and Budget, LDOL Did Not Submit Process Documentation for Its Five-Year Strategic Plan**

According to the Office of Planning and Budget, as of February 2000, LDOL had not yet submitted documentation for performance indicator calculations in its Five-Year (FY 1998 - FY 1999 through FY 2002 - FY 2003) Strategic Plan, which was due in July 1998. According to Strategic Plan Requirements at the Office of Planning and Budget, executive departments are to include written instructions for the performance indicator calculations in the back of the Strategic Plans they submit to the Office of Planning and Budget.

Specifically, Strategic Plan Requirements say that the departments shall explain how the indicators are going to be calculated. Furthermore, Strategic Plan Requirements direct the departments to provide the formula or other method used to calculate the indicator.

Because the Five-Year Strategic Plan will be the basis for the annual Operational Plans, it is important that the calculation instructions are documented. Although LDOL sent its Operational Plan to the Office of Planning and Budget, this does not satisfy the Strategic Plan Requirements. LDOL should be able to provide the Office of Planning and Budget with documentation of how its performance indicators are calculated.

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## **Recommendation**

- 2.3 LDOL should keep documentation of how it calculates the state performance indicators. The department should have this information readily available for examination. LDOL should submit this information to the Office of Planning and Budget with its Strategic Plan. Doing this will ensure the integrity of the numbers LDOL represents to the state as measures of its performance.**

As part of our audit, we also reviewed improving performance data for future executive budgets. Our findings in this area are discussed in the following section.

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### **Some New State Performance Indicators Could Be Improved**

#### **2000-2001 State Performance Indicators for Workforce Development May Not Measure Progress Toward All Objectives**

We reviewed how the state's performance data will be structured under the Workforce Investment Act. Performance indicators should measure progress toward objectives and be clear, easily understood, and non-technical. Performance indicators that fall short of these criteria may not enable users of the Executive Budget Request to determine progress made by the department's programs. Most of the performance indicators for the Job Training and Placement Program in the 2000-2001 State Operational Plan

measure program outcomes reasonably well. However, a few could be clarified and others could be added.

We based our analysis on sources such as the Office of Management and Budget's *Manageware* publication, the Governmental Accounting Standards Board, and the Urban Institute. According to these sources, performance indicators should be clear and easily understood and should measure progress toward the objective. Otherwise, users of the Executive Budget Request may not know how well the programs did what they were supposed to do.

When we examined the performance indicators in the operational plan for fiscal year 2000-2001, we observed that the performance indicators addressed the objectives. However, we noted the following performance indicators that should be clarified or improved:

- For objective #1, no indicators measure progress toward the objective. The objective is “To provide adult and dislocated workers increased employment, earnings, educational and occupational skills training opportunities by providing core, intensive, and training services, as appropriate, through a one-stop environment.” Although the performance indicators measure increased employment and earnings, none measures increased training opportunities. If training is included under another indicator labeled “reportable services to employers,” this connection is not clear.
- For objective #4, one indicator is difficult to understand. The objective is “To provide disadvantaged youth assistance in achieving academic and employment success by providing activities to improve educational and skill competencies and provide connections to employers.” The third performance indicator, “Attainment of basic skills, work readiness or occupational skills” is confusing. From the information given, it is hard to determine whether the indicator is describing the number of people who attained these three outcomes. Also, it appears that some of the people could have overlapped; that is, attained two or more of these outcomes. If so, it is not clear whether they were counted twice.

We also noted that one state performance indicator is not fully consistent with projected federal and state indicators:

- For Objective #4, the federal performance data makes a distinction between older youth (ages 19 through 21) and younger youth (ages 14 through 18), but the state information does not. When we reviewed PY 1997 federal and state performance indicators, we found it confusing when LDOL and USDOL do not group participants in the same way.

Finally, some language in the program's mission statement is not measured by any subsequent performance data. Performance indicators flow from objectives, objectives flow from goals, and goals flow from missions. The last phrase in the mission statement, which addresses training programs and delivery systems, is "thereby lowering the unemployment rate." There is no further mention of this rate anywhere in the program's goal, objectives, or performance indicators.

If the program claims responsibility for a result, that result should be measured. Therefore, the program's effect on the unemployment rate should be measurable: as it puts people to work, then it has lowered unemployment by a certain amount or percentage. That number should be highlighted so that taxpayers and the legislature will know the program is accomplishing its mission. In fairness to LDOL, factors outside the department's control also influence the state's unemployment rate. However, unless LDOL reports this program's specific contributions to lowering this rate, no one will know whether it had a significant influence over unemployment in Louisiana. After we pointed this out, an LDOL official said the department would delete this unemployment language for the program mission for 2000-2001.

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## Recommendation

**2.4 For the Job Training and Placement Program in the 2001-2002 Executive Budget Request, LDOL should work with the Office of Planning and Budget to:**

- **Add a performance indicator that clearly measures the increase in training opportunities under Objective #1 for Adult and Dislocated Workers.**

- **Clarify the youth competency attainment indicator so that readers can determine whether individuals are being counted more than once.**
- **Consider formulating separate measures for older and younger youth, in accordance with the federal performance indicators, or at least specifying what ages the state’s definition of “youth” covers.**
- **Consider developing an indicator of the program’s effect on the state’s unemployment rate or deleting this phrase from the mission statement.**
- **If the program does retain the statement about reducing unemployment in its mission statement, consider reporting the state’s unemployment rate for each program year, along with a brief narrative description of all factors that influenced it.**





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# Chapter 3: Monitoring

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## Chapter Conclusions

Monitors at the three SDAs where we conducted detailed audit work did not verify whether training service providers produced all programmatic deliverables described in their contracts. The monitors generally did not identify or list contract deliverables or prepare specific monitoring plans for each contract. As a result, no one may know whether the training providers did everything they promised to do in their contracts.

Some of these contracts were missing certain key provisions. Also, deliverables in most of the contracts were easy to identify, but they were hard to discern for a few contracts serving youth and one classroom-sized contract. In addition, about one-fourth of the deliverables we assessed did not say when, how well, or at what quality level the work must be performed. Without all of this information, the contracts would have been difficult to monitor.

In addition, we tested the length of training for on-the-job training contracts. A few of these contracts were written for longer periods of time than may be reasonable to train people for jobs. The two SDAs that wrote these contracts were using a method to determine training times that was not intended for SDA use. The duration of on-the-job training may be an even larger issue under the Workforce Investment Act because the act places fewer restrictions on on-the-job training than JTPA did.

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## Background

Workforce development efforts are most effective when contractors provide training as promised. Contract monitoring is a primary control system over the performance of training providers. To assess its effectiveness, we reviewed JTPA monitoring efforts in three SDAs for the PY 1997, as follows:

- **SDA #12, Orleans Parish.** The Orleans Private Industry Council administers this SDA.
- **SDA #21, East Baton Rouge Parish.** The mayor's office administers this SDA.

- **SDA #70, Seventh Planning District.** The Coordinating and Development Corporation, which is also responsible for economic development in the region, administers this SDA.

These three entities have been responsible for monitoring the service providers they contracted with under JTPA. In July 2000, after the transition to the Workforce Investment Act is complete, the Workforce Investment Boards will assume the primary responsibility for monitoring. Although we reviewed monitoring efforts at only three of the 18 SDAs, the others may have had similar strengths and deficiencies because they were operating in the same environment. Thus, we address our recommendations on monitoring to all the SDAs, the Workforce Investment Boards, and LDOL.

We selected six to eight PY 1997 contracts of different types in each of the three SDAs and one direct state contract, as discussed in the Scope and Methodology section in Chapter 1. We reviewed contract and monitoring files and recorded our results on data collection instruments we developed using USDOL materials and other sources. These instruments ask five basic questions:

- Are key provisions present in the contracts?
- What are the contract deliverables?
- Did the SDA monitor verify whether each deliverable was fulfilled?
- Is the monitoring work documented well enough to be credible?
- Did the monitor create and execute a monitoring plan, and did the SDA (or LDOL) follow up when necessary?

In addition, we tested the length of training for all on-the-job-training contracts for PY 1997 in these SDAs.

Our audit focused on programmatic and performance, rather than fiscal, monitoring. Programmatic monitoring asks if the services contracted for were provided. Performance monitoring focuses on how well the contractor provided required programmatic services.

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## Certain Key Provisions Missing From Some Contracts

### Key Provisions Make Monitoring Easier and Protect Governmental Interests

We made a list of standard contract provisions recommended by USDOL for inclusion in training provider contracts. Most contracts in our sample contain most of these key provisions. However, we did not find that they were all clearly stated in every contract. Because certain provisions were missing, the interests of federal and state governments might not have been fully protected. Also, because certain provisions were not clearly stated, programmatic contract monitoring might not have been as effective as it could have been.

The provisions we looked for came from a list published by USDOL in its *JTPA Training and Procurement Guide*. From this list, we selected provisions applicable to programmatic monitoring. In total, we looked for the 15 programmatic provisions listed in Appendix D. Two of the provisions that were not evident most often are also required by JTPA regulations.

We reviewed 24 separate contracts. Generally, all types of contracts in Baton Rouge and off-the-shelf contracts at other locations had the greatest number of unclear or missing provisions. In some cases, only a few contracts lacked these key provisions; in other cases, only a few contracts contained them. Following are descriptions of the cases where exceptions occurred most often:

- **Access to premises.** Six contracts did not contain provisions specifically granting access to the contractors' premises for monitoring and auditing efforts. Four of the six contracts were for on-the-job training--two in Baton Rouge and two at the Seventh Planning District.
- **Provisions describing whether and how the contract can be changed, and naming the person or job title who can make changes.** Seven contracts contained no clauses specifically describing how the contracts can be changed, although other contract provisions implied that changes are permissible. Six of these were in Baton Rouge. Four of the seven were off-the-shelf contracts. Only four contracts named a person or job title (such as the contracting officer) who could make changes. Two of these four were on-the-job training contracts at the Seventh Planning District.

- **Termination for cause.** Six contracts lacked a termination for cause clause. Three of these were in Baton Rouge. Federal JTPA regulations [627.420 (h)(4)(iv)] stipulate that such a clause should be included in subrecipient and vendor agreements. However, tuition is often paid at the beginning of the semester and refunded for dropouts based on a schedule. Thus, termination for cause may not be as critical an issue for tuition-based vendors.
- **Description of contract dispute handling.** Six contracts did not address the handling of contract disputes. These were the same contracts that lacked a termination for cause clause.
- **Sanctions for nonperformance.** Three tuition-based contracts had no discernible sanctions for nonperformance. Federal JTPA regulations [627.420 (h)(4)(i)] stipulate that such a clause should be included in subrecipient and vendor agreements. Although the rest of the contracts did include sanctions for nonperformance, these sanctions were not always well defined. For example, in the Seventh Planning District's on-the-job training contracts, the sanctions consisted merely of deobligation of funds if the job was not filled. Other on-the-job training contracts, by contrast, had progressive penalties. Several Baton Rouge contracts had weak sanctions, including language that nonperformance will be "considered" in future funding decisions. In other Baton Rouge contracts, termination for cause was the only sanction.
- **Maximum elapsed time between invoicing and payment.** Sixteen contracts did not address elapsed time between invoicing and payment. This provision was included only in the two class-size contracts we reviewed in Baton Rouge and New Orleans and in an off-the-shelf contract serving youth at the Seventh Planning District. The provision was also included in the LDOL direct contract with the Office of Women's Services and the work experience contract in New Orleans. Such a provision protects the contractor as well as the contracting agency.

- **Description of closeout procedures.** Fourteen contracts did not discuss contract closeout procedures. This provision appeared to be missing from all Baton Rouge contracts. It was also missing from all off-the-shelf contracts except one for the other SDAs. In general, most Seventh Planning District and New Orleans contracts included this provision.

If certain key provisions are missing from training provider contracts, then the contracts may not comply with federal regulations. In addition, the interests of the federal, state, and local governments may not be fully protected in these contracts. Finally, the contracts may not be as easy to monitor because the contract document is the source of the monitoring requirements; thus it should be complete.

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## Recommendation

- 3.1 LDOL and/or the SDAs/Workforce Investment Boards should draft and present to the Louisiana Workforce Commission standard language for contracts that includes, at a minimum, provisions required by federal laws and regulations as well as those recommended by USDOL. The provisions should be clearly stated and easy to identify. They should also include other provisions discussed above. If USDOL develops new contract guidelines for the Workforce Investment Act, then LDOL and the Workforce Investment Boards should adopt the USDOL format.**

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## Most Contract Deliverables Easy to Understand

## While Deliverables Are Generally Easy to Understand, Some Were Difficult to Identify

Most deliverables in the contracts we reviewed were written clearly enough to be understood. However, deliverables in some contracts were hard to identify. JTPA regulations state that each recipient and subrecipient agreement shall clearly specify deliverables. If deliverables are not easy to identify, monitors and others may not understand everything the contractor is supposed to do.

By our assessment, most deliverables we found were easy to understand. We read each contract to identify performance deliverables, which are the products the contractor will produce and submit to the agency. The few deliverables we found to be unclear were for services, such as job placement assistance, counseling, or follow-up activities. In these cases, the contractors' role in providing those services was not always apparent. Also, some written reports the contractors promised were not well described.

### **Youth and Other Contracts Difficult to Follow**

Although the deliverables were easy to identify in most other types of contracts, they were hard to discern for some classroom-sized contracts serving youth. Under both JTPA and the Workforce Investment Act, youth contracts may offer a broad array of services. Repetitive and lengthy descriptions of these services in the contracts' statement of work made it difficult to identify exactly what the contractors were promising to do. A monitor reading these contracts might not be able to identify all contract deliverables in them. Examples from these contracts are illustrated below:

#### ***Seventh Planning District***

- One school board contract's statement of work was poorly written. It contained grammatical errors such as "Louisiana ranks at the very bottom of the *illiteracy* scale." Also, the contract language was interspersed with narratives describing research studies justifying the program. Because the statement of work was lengthy and confusing, it was difficult to identify all the services the contractor promised and when it promised to do them.

#### ***Baton Rouge***

- One youth contract with a university was lengthy and complex, making it difficult to isolate exactly what the contractor was supposed to do.
- One school board contract serving drug offenders was repetitive. Thus, we had difficulty identifying the deliverables. When we read the narrative, we noted that the deliverables raised questions about whether the training would actually result in job placement. The contract's narrative section stated that the project manager may elect

to enter a participant in any phase of the program, depending on the individual's needs, his pre-assessment, and the number of available slots. It also said that if a participant is skilled for a job and demonstrates that he/she can keep that job, he/she will be moved directly to the last phase of the program and closed out. If participants can be placed at any point during training, the program may not have much impact in helping people obtain job skills.

JTPA regulations [627.420 (h)(1)] stipulate that deliverables should be clearly specified in agreements. Again, deliverables are simply the products the contractor is obligated to produce. We examined the contracts closely for services and activities the contractors said they would perform. We limited our review to eight general categories of performance-related deliverables defined in USDOL's *JTPA Procurement Training Guide*. We considered any products or services in these categories that were discussed in the contract to be deliverables. Exhibit 3-1 shows the types of performance-related deliverables we assessed.



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**Exhibit 3-1**  
**Performance-Related Deliverables Assessed**

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1. **Enrollment of Participants.** Examples include recruitment, targeted outreach, application, screening of applicants, eligibility determination and verification (if that is contracted out), and required reporting of applicant data.
2. **Providing Counseling.** Examples include counseling upon enrollment and counseling at later stages, including training, job search, placement, and other key components.
3. **Orientation.** Examples include orienting participants to the total program and the component they are entering. It also includes providing handbooks or other documents describing participant services, rights, and responsibilities.
4. **Employability Development.** Examples include counseling, developing the Employability Development Plan, and identifying supportive services in the plan.
5. **Provision of Training.** Examples include academic and/or occupational skills training, pre- and post-testing to assess needs and measure progress and achievements, and documentation of achievements and progress. It may also include referral to other training resources and subcontracting for these outside resources, where the contract allows this.
6. **Job Development and Placement.** Examples include employer contact, referral, and follow-up as well as the nature, quality, and quantity of placements. This area also includes preparation of required forms describing participant change of status.
7. **Participant Support Services.** Examples include the provision of funds or vouchers for purchase of supportive services and the referral to or arrangement for services not provided directly by the contractor.
8. **Termination and Follow-up.** This may include interviews with participants to determine reasons for termination, making referrals to other programs and services, as appropriate, conducting follow-up contacts with employers and participants to determine retention, and completion of all forms and reports required for documentation of terminations.

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**Source:** *JTPA Training and Procurement Guide.*

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If the nature of the deliverables or the contractors' role in providing them is unclear in a contract, then all parties involved may not fully understand the agreement. When deliverables are hard to identify, as they are in the three cases we described, the monitor may overlook them. Consequently, these deliverables may not get any attention from the monitor.

We also assessed whether the contracts stated where the services for deliverables would be performed. Only rarely (about 6% of the time) did the contracts fail to do so. However, if this provision is not included in the contracts, there could be confusion about classroom locations.

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## Recommendation

**3.2 LDOL and the SDAs/Workforce Investment Boards should write contracts with training service providers so that the contractors' role in providing services is clear and the location where training will be performed is specified. When writing these contracts, LDOL and the SDAs/Workforce Investment Boards may find it useful to:**

- **Include a section in each contract listing all contractor deliverables and their associated performance standards.**
- **Make sure that all services discussed in the body of the contract are included in the deliverables section.**

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## Not All Deliverables Have Performance Standards

### Some Contract Deliverables Do Not Provide a Way to Measure Expected Level of Effort or Success

More than one-fourth of the deliverables we assessed had no associated performance standards. Deliverables are not useful unless both parties can understand what the contractor is supposed to do and when, how well, or at what quality level the work must be performed. In addition, the Governmental Accounting Standards Board says that such information is needed for setting goals and objectives and monitoring results. Without performance standards, the contractor's obligations are not fully defined.

After we identified the contract deliverables, we looked for performance standards associated with those deliverables. The *JTPA Procurement Training Guide* says that these standards can be participant outcomes or other outcomes required of the contractor. Based on the Governmental Accounting Standards Board literature, we broadened this definition to include level of effort measures, as well. For example, if a contract specifies that participants be taught for a certain number of hours, monitors could check to see whether those hours were provided. Including a measurable objective for each service or product in the contract helps the agency specify what the contractor is supposed to do.

About 25% of deliverables we identified did not have adequate performance standards, even by our broadened definition. Three contracts in Baton Rouge, three at the Seventh Planning

District, one in New Orleans, and the Office of Women's Services direct state contract all had three or more deliverables without adequate performance standards. All except the Office of Women's Services are off-the-shelf or classroom-sized vendors. Most missing standards were for services such as counseling, tutoring, required reports, and participant follow-up. Thus, what the contractor was supposed to accomplish in these areas was not defined.

Even though most of the deliverables we reviewed had performance standards, some did not go as far as they should. For example, for nearly all on-the-job training providers, there is a standard stating that the trainee is to be retained after he/she successfully completes training, but the contracts never specify that the trainees are to be given jobs in the area of training. Including such a provision would ensure that federal training dollars are spent to train people for jobs they actually get.

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## Recommendation

### 3.3 LDOL and the SDAs/Workforce Investment Boards should write contracts with training service providers so that:

- **Each deliverable has identifiable performance standards or some measurable level of service.**
- **Performance standards are adequate to address the purpose of the training and are related to training. For example, standards should cover areas for which the contractor is directly responsible and can legitimately claim credit.**

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## Monitors Did Not Test All Deliverables

### Monitors Did Not Verify That Contractors Provided Some Services Promised in Contracts

Based on the information in their files, monitors at the three SDAs and at the state level did not verify that contractors delivered all services described in the contracts. According to USDOL, monitoring requires at least sample verification of contractors' reports of performance at reasonable intervals. If this information is not verified, local and state governments, as well as the public, may not know whether training service providers have done what

they promised to do. Furthermore, taxpayers do not know if they received full value for the approximately \$4.4 million allocated in PY 1997 for the contracts we reviewed.

For most of the contracts we reviewed, we did not find sufficient evidence showing that monitors in the SDAs or at LDOL verified that contractors produced all contract deliverables we identified. We compared the deliverables we identified with information in the monitoring reports as well as in the monitoring and administrative files. We assessed whether a reasonable person would think this documentation is appropriate and sufficient support to verify that the contractors produced deliverables. We could not find such documentation for more than half of the contract deliverables we tested.

In general, LDOL's programmatic monitoring of its direct state contract, Office of Women's Services, and the programmatic monitoring efforts of the New Orleans SDA were more thorough than those of the other two SDAs we reviewed. Specifics related to all four sites where we conducted work are as follows:

- The LDOL monitor did attempt to check most deliverables for the Office of Women's Services direct state contract. The exceptions were advertising and recruiting efforts and basic education. However, it was not always clear where and how the monitor obtained her information. Documentation of sources would help clarify these issues.
- For almost all New Orleans contracts, the monitoring files contained some documentary evidence showing that monitors at least partially verified delivery of one or more deliverables. This evidence included items such as invoices and grade reports for sampled participants. However, the current monitoring arrangement may not continue under the Workforce Investment Act. Officials at the Orleans Private Industry Council said that after the new act takes effect, they may no longer be responsible for the monitoring function.
- At the Seventh Planning District, the monitor did not address any of the programmatic deliverables we identified in monitoring reports. This happened because the monitor's reviews were focused on

Equal Opportunity/Americans with Disabilities Act issues rather than programmatic issues. Some programmatic elements were included, such as the number of terminated participants, but the reports did not say where this information came from, and the files contained no workpapers to support the numbers. Other SDA employees apparently received copies of grades and participant tests, but the monitor presented no evidence that he reviewed these.

- Baton Rouge monitoring often relied heavily on testimonial evidence from a few interviewees. In one report, the monitor did not document participant interviews or specify what the participant file review included. This monitor also did not state whether these participants were at their worksite jobs. Also, we saw no evidence that the monitor verified that the contractor produced any of the deliverables contained in two contracts. In one of these monitoring reports, it is obvious that the monitor made an attempt to verify enrollment numbers, but the numbers do not reconcile and are difficult to trace.

The monitoring of on-the-job training was generally more thorough for some SDAs, particularly Baton Rouge:

- In Baton Rouge, information confirming hours worked and post-training employment was in the contract files.
- Although the Seventh Planning District monitor focused on disability and equal opportunity issues, the program coordinator did provide input on on-the-job training contract deliverables and monitored one of the contracts.
- The New Orleans on-the-job training monitoring files contained no evidence of post-training employment. However, a monitor there was apparently aggressively monitoring the contractor. This monitor recommended termination of one on-the-job training contract for nonperformance.

Monitoring reviews of the SDAs performed by LDOL and USDOL did not address contract deliverables, either. LDOL also reviewed four of the contracts we reviewed when it monitored

these SDAs: one in Baton Rouge, one at the Seventh Planning District, and two in New Orleans. The work LDOL performed did not focus on whether contractors provided the services they promised in the contracts. Reports issued by USDOL also did not address specific deliverables in the contracts.

According to the USDOL, monitors should first review a contractor's documents, then take a sample to verify that the information in the documents is accurate. For example, USDOL suggests that the agency query participants to ensure that they received the training and other services the contractor described and documented. In the cases we reviewed, most monitors interviewed one to nine participants per contract. However, the monitors did not always date or sign these interviews. Also, the SDA monitors' reports and files often did not reveal the source of the information the monitors reviewed. Finally, monitors did not address some deliverables we identified.

When monitors do not address deliverables in their reports or document how they verified that they were produced, we do not know if they did a thorough job. If they did not, no one can tell how well the training contractors performed.

## **Outcome Data Followed Up at SDAs**

Although monitors did not check to see whether contractors provided all services promised, other SDA personnel did follow up on outcome deliverables such as job placement 13 weeks after termination. These data are required for federal and state performance records. We observed that the data were present in participant folders when we did our participant file testing. Thus, employees at the SDAs were recording program outcomes.

However, aggregated termination and placement information by contractor was not directly available on-line to SDAs from the LDOL participant database. The SDAs are currently able to manually calculate termination and placement data by contractor for all contracts except those for on-the-job training. We established in Chapter 2 that the LDOL participant database appears to be reasonably accurate. Thus, it would make sense for the SDAs' successors, the Workforce Investment Boards, to have on-line inquiry capability by contractor into LDOL's database. This would allow them to determine a contractor's performance immediately. LDOL can build in this capability when it redesigns its database for the Workforce Investment Act requirements.

Under Workforce Investment Act regulations [Sec. 663.565 (b)(1)], the Workforce Investment Boards must determine whether providers meet performance levels when contracts are up for eligibility redetermination. Representatives of the SDAs we spoke to said they would welcome on-line inquiry capability by contractor. This way, they would be able to see immediately how well contractors have performed.

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## **Recommendations**

### **3.4 LDOL should develop programmatic monitoring guidelines for itself and the SDAs/Workforce Investment Boards that include the following:**

- **Monitors at the SDAs/Workforce Investment Boards and LDOL monitors who are responsible for direct state contracts should identify and list all contract deliverables. They should then verify that each one was produced. Their reports should state that they have done this assessment and provide the results.**
- **Monitors should identify the sources of information in their reports.**
- **Monitors should also keep documents in their monitoring files that verify delivery of critical deliverables.**

### **3.5 LDOL should present these guidelines to the Louisiana Workforce Commission. The commission should recommend that the SDAs/Workforce Investment Boards adopt such guidelines as programmatic monitoring policy. LDOL monitors should verify compliance with the policy.**

### **3.6 When LDOL redesigns its participant database, it should consider building in the capability for appropriate local workforce investment staff to make inquiries of performance results by contractor, including on-the-job training contractors.**

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**Some Monitoring Reports Unlocated; All Workpapers Not Signed and Dated****SDAs and LDOL Could Not Locate Some Reports; Monitors Did Not Sign and Date All Workpapers**

SDA staff could not find two monitoring reports for PY 1997, and SDA and LDOL staff had difficulty locating other reports. In addition, some monitoring files contained workpapers with confusing notation and incomplete responses to checklist items. According to the U.S. General Accounting Office, internal control systems and all transactions and other significant events are to be clearly documented, and the documentation is to be readily available for examination. In these cases, LDOL and the SDAs have no proof that monitoring was done or that the monitors' conclusions were adequately supported.

SDA and LDOL staff could not locate or had difficulty locating monitoring reports and their associated files as follows:

- In Baton Rouge, monitors had difficulty locating two reports and their associated files and could not find one report.
- In New Orleans, monitors could not locate one monitoring report and file.
- LDOL could not immediately locate one of the monitoring reports it had done on the SDAs, but eventually found it. Also, the monitoring unit could not locate a clean copy of the Office of Women's Services monitoring report or a file clearly designated as the monitoring file for this report.

The LDOL and Baton Rouge monitoring files also contained incomplete interview responses. Monitoring formats at these two entities included questionnaires with fill-in-the-blank answers. In a few cases, portions of these questionnaires were not complete with respect to the deliverables we evaluated. For example, the monitoring questionnaire LDOL used to evaluate the Seventh Planning District contained several questions pertinent to the deliverables we identified. These questions asked whether all deliverables were clearly specified, how many on-the-job training trainees were retained for employment, and whether the employer was required to document placement. All of these questions were either left blank or crossed out.

Virtually all monitoring files contained some workpapers. However, eight sets of workpapers included with monitoring reports were missing signatures/initials or dates, or were otherwise



unclear. Certain workpapers LDOL did for the Office of Women's Services, as well as LDOL reviews of the SDAs and some Baton Rouge workpapers, were missing signatures and dates. Three Baton Rouge reports and LDOL's Office of Women's Services report contained unclear or confusing notation.

Internal controls such as these monitoring reports should be well documented and readily available, according to the General Accounting Office. In addition, JTPA regulations [Section 627.475 (b)(5)] require LDOL to monitor the SDAs and direct state contractors at least once per year. Thus, an annual monitoring report should have been on file and readily available at LDOL for each SDA. JTPA regulations [Section 627.420 (f)(2)] also require the SDAs to maintain an administration system to ensure that vendors and subrecipients perform in accordance with the terms, conditions, and specifications of their awards. Therefore, the SDAs should monitor their contractors at least once during each contract term, which is typically one to two years.

If monitoring reports are not clearly documented and readily available, no one can be sure whether they were done properly or done at all. Monitoring is important because it is an internal control system over contractor performance. As such, it should provide reasonable assurance of detecting or deterring misuse of resources, failure to achieve program objectives, and noncompliance with laws. These things could happen if this control system is not adequately maintained.

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## **Recommendations**

- 3.7 LDOL and the SDAs/Workforce Investment Boards should create and/or properly maintain a central filing procedure so that authorized users can easily locate monitoring reports and files.**
- 3.8 LDOL and SDA/Workforce Investment Board monitors should initial and date all workpapers in their files.**

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## **Monitors Did Not Develop Comprehensive Plans**

### **Monitors Did Not Develop Monitoring Plans for Individual Contracts**

We found no evidence of a comprehensive monitoring plan for any single contract we reviewed. According to a training manual published by the U.S. Department of Labor, contract monitors should identify all contract obligations, then develop and execute a monitoring plan. As a result of inadequate planning, the monitors may not have monitored all contracts or considered all contract deliverables.

Monitors at each SDA told us they did not prepare plans for each contract. USDOL says that a monitor should develop a time-phased monitoring plan that includes all actions of the contractor and buyer and the dates when these actions should be completed. Monitors should then execute the plan by conducting the monitoring actions. If monitors do not develop specific plans based on the contract deliverables, then they may miss some deliverables in their reviews. Consequently, the SDAs and the state will not know whether they received all services agreed upon in the contracts.

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## **Recommendation**

- 3.9 SDA/Workforce Investment Board monitors should develop monitoring plans for each contract. Doing so will help ensure that each contract is monitored and that critical aspects of training providers' performance are reviewed.**

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## **No Evidence of Management Review**

### **Management at One SDA Did Not Sign Monitoring Reports**

We found no evidence that management at the Baton Rouge SDA reviewed the monitoring reports. In addition, this SDA produced no evidence that management was aware of the monitor's findings. Management should recognize the importance of implementing internal controls. If management does not review monitoring reports or pursue findings, then this important control function does not provide any oversight.

In New Orleans, we found correspondence showing that management had received and reviewed the monitors' reports. At the Seventh Planning District, we found the director's initials or

signature on monitoring reports, which indicated that he had received and reviewed the reports. However, we did not find any such evidence in the monitoring or correspondence files in Baton Rouge. Therefore, we cannot be sure if the executive director was aware of the problems.

Of the 24 contracts we reviewed, 15 had no findings to be followed up with the contractor. At the Coordinating and Development Council, there were no findings in any of the monitoring reports we reviewed. Therefore, there were no issues for management to pursue with contractors. For two New Orleans contracts and the direct state contract at LDOL, correspondence in the monitoring files showed that management signed or initialed monitoring reports containing these findings, or that the monitor or management drafted correspondence to the contractor about the findings. However, in Baton Rouge, we found no evidence in the monitor's files or the director's personal correspondence file that management addressed any contractor problems.

We discussed this issue with the executive director in Baton Rouge. He said that he could not guarantee that follow-up is done every time. He also said that the SDA does not address every finding, but that to the best of his knowledge, they do try to address all findings eventually. However, they may not always get to them immediately. He also said that the SDA monitor is now giving all supervisors a copy of a monthly report and that all problems are addressed immediately.

If SDA management does not fully support the monitoring function, then the administrative oversight body cannot effectively oversee the program, as required by JTPA regulations. Section 627.420(f)(2) assigns the entities that receive JTPA funds oversight of contract administration, which encompasses monitoring. The Workforce Investment Boards will assume this oversight responsibility under the Workforce Investment Act.

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## **Recommendation**

- 3.10 Management at the SDAs/Workforce Investment Boards should review and sign all monitoring reports, ensure that findings are followed up, and submit monitoring summary information to the bodies responsible for oversight on a regular basis.**

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## **Some On-the-Job Training Times May Be Excessive**

### **Use of One Calculation Method at Two SDAs Resulted in More Training Hours Than Appear Reasonable**

Some of the training times in on-the-job training contracts we tested exceed the USDOL Dictionary of Occupational Titles' recommended length of training for those occupations. This happened because two SDAs used an alternate method to calculate how long training should last. As a result, the SDAs may have spent more than was reasonable for these contracts. This situation may be magnified under the Workforce Investment Act, which has fewer restrictions for on-the-job training.

For the on-the-job training contracts we reviewed, we found 16 out of 70 (23%) training times that exceeded the recommended specific vocational preparation in the Dictionary of Occupational Titles. We compared training times in all PY 1997 on-the-job training contracts at the sampled SDAs to the recommended specific vocational preparation times. The 16 contracts that exceeded the recommended times were at two SDAs: Seventh Planning District and Baton Rouge. These SDAs were using a method that was not intended for SDAs for calculating on-the-job training times. Although this method is based on the dictionary, using it can result in a greater number of training hours than the specific vocational preparation times the dictionary recommends.

For example, the other method led the contract preparer at one SDA to write an on-the-job training contract for a length of time that may be excessive. The contract called for a hotel to train participants to be hotel maids (housekeepers). The contract said that the SDA would reimburse the hotel for 50% of the participants' wages for the training period, which was nearly three months. Specifically, the SDA reimbursed the hotel for half the trainees' wages while they were learning the following skills on the job (see Exhibit 3-2).

**Exhibit 3-2**  
**Training Times for Hotel Maids**

Skill Requirements	Training Time
Clean bathtub, toilet, sink, walls, mirrors, tile, counters, coffee pots, balconies and floor surfaces using cloths, mops, sponges, brushes and/or cleaning agents by extending arms overhead, bending or stooping.	110 hours
Strip and make beds, changing bed linens, which may require lifting box springs and mattresses weighing a maximum of 40 lbs.	110 hours
Dust all furniture, pictures, drawers, window ledges and shelves thoroughly.	66 hours
Push and pull vacuum throughout entire room. Pay particular attention to all corners. Empty trashcans.	66 hours
Replenish amenities, linens and supplies in guestroom.	44 hours
Sign Tower master room keys out, retrieve housekeeping cart. Push to floor assignment. Visually inspect room for cleanliness and appearance and signify completion of room.	44 hours
<b>TOTAL</b>	<b>440 hours</b>

**Source:** Prepared by legislative auditor's staff using contract provided by the SDA.

If the contract-preparer had used the recommended specific vocational preparation time in the dictionary instead of the other method to determine the training time for this contract, the total training time would have been about 173 hours. The dictionary recommends "anything beyond short demonstration up to and including one month"--approximately 267 hours less than the other method calculated--to train a housekeeper. Since the SDA used the other method, however, they may have expended more funds than were necessary for this contract.

According to JTPA regulations [§ 627.240(b)(4)(i)], LDOL is supposed to formulate an on-the-job training policy. An official at one SDA showed us a copy of a letter from LDOL describing the other calculation method. The two SDAs that were using this method were not aware that the method was not official LDOL policy. The method described in the letter from LDOL was never intended for SDA use, according to LDOL and USDOL officials. Instead, it was created for direct subcontractors, not the SDAs. This message apparently did not reach the two SDAs.

JTPA laws and regulations do not mandate that a particular standard be used to determine the length of on-the-job training. However, the laws (P.L. 97-300, 96 Stat 1322 Sec. 141) and regulations [§ 627.240 (b)(4)(ii)] both state that in calculating training times, “consideration” should be given to recognized reference materials such as the Dictionary of Occupational Titles. Furthermore, the regulations [§ 627.240 (b)(1)] say the training shall be limited to a period “not in excess of that required for the participant to acquire the skills needed for the on-the-job training position.” This regulation also restricts on-the-job training to no more than six months.

In contrast, the Workforce Investment Act laws and related regulations do not suggest what standard should be used, nor do they limit on-the-job training to six months. Also, we could not find any provision in the Workforce Investment Act or regulations mandating that LDOL develop a policy for calculating on-the-job training times. Because the act places few restrictions on length of training, it may be even more likely for a local Workforce Investment Board to write on-the-job training contracts for more time than is reasonably required. To counteract this possibility, an LDOL official said the department is considering implementing a new skills training standard for on-the-job training.

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## Recommendation

- 3.11 The state and/or the SDAs/Workforce Investment Boards should develop, recommend to the Louisiana Workforce Commission, and implement a written on-the-job training policy. This policy should define how the Workforce Investment Boards should determine training times for on-the-job training contracts, using a reasonable standard. The LDOL monitors should review compliance with the policy.**



# Appendix A

## Acronyms Used in Report



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# Appendix A: Acronyms Used in Report

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**FYE:** Fiscal Year Ended

**JTPA:** Job Training Partnership Act - a federal job training program that provides job services for:

- Older Individuals
- Disadvantaged Youth and Adults
- Summer Youth Employment and Training
- Dislocated Workers

**LDOL:** Louisiana Department of Labor

**PY:** Program Year

**SDA:** Service Delivery Area - local entities that contract with training providers to provide job training and other services

**USDOL:** United States Department of Labor



## Appendix B

# LDOL Information Systems General Controls Questionnaire

## Appendix B: LDOL Information Systems General Controls Questionnaire

	YES	NO	DATA REQUESTS	YOUR COMMENTS
<b>A. Organization and Management of IS Activities</b>				
1. Is there a written policy and procedures manual pertaining to the system?			Please give us a copy.	
2. How does management establish a control consciousness among the employees of the department?			Please show us memoranda addressing the subject that went to the SDAs and any other supporting documentation.	
3. Describe how management continuously monitors the IS activities.			Please describe.	
<b>B. Computer Operations</b>				
1. Are jobs/reports run only during normal business hours?				
a. If not, what procedures are in place to investigate problems and disposition?			Please show us documentation of these procedures.	
2. Is access to system areas that house critical or sensitive data restricted?			Please give us a list of who has access, along with their functions and titles.	
<b>C. Security Administration Policies and Procedures</b>				
1. Who is responsible for the security administration function (i.e. assigning of user IDs and passwords)?			Please give us the individual's name and title.	

	YES	NO	DATA REQUESTS	YOUR COMMENTS
2. Do all users have individually assigned User IDs and confidential passwords?			Please give us the names of all the users, with their titles and functions.	
3. Are the user ID's assigned on a business-need only basis?				
4. Does the Security Administrator monitor security reports on a periodic basis?			Please show us documentation of such monitoring, such as monitoring reports.	
a. If so, how often?				
<b>D. Logical Security</b>				
1. Do LDOL employees have internet access or use the internet to transmit data?				
a. If so, do you have a firewall or some other protective device to limit access to the mainframe (or other) computer?				
b. Is access to the computer from the internet restricted to only certain authorized users?			Please give us a list of authorized users, with their titles and functions.	
c. Is authorized and unauthorized access to the mainframe via the internet reported?				
d. If so, are these reports reviewed?				
e. How are exceptions followed up on?			Please describe.	
f. Do you have the capability of monitoring your employees' internet access?				

	YES	NO	DATA REQUESTS	YOUR COMMENTS
2. When users log on, are the passwords masked? (Mark "no" if they are visible.)				
3. Are users allowed only a limited number of invalid sign-on attempts to the network?				
4. Is batch update to data files used?				
5. If so, how is the access to data files and databases restricted?			Please describe.	
6. Do you allow batch jobs to be submitted through dial-up?				
7. If so, are they subject to the same security verification routines as those originating from on-site terminals?				
<b>E. Internal Audit of IS Activities</b>				
1. Is the internal audit section involved in any evaluation of IS activities?			Please give us any internal audit reports that cover the JTPA MIS.	
a. If so, does the internal audit section perform risk assessments?				
<b>F. Input Controls</b>				
1. Are authorization and approval required before inputting data?				
a. If so, how is authorization controlled? (e.g., terminal i.d., user i.d., etc.)?			Please specify.	
2. What other controls do you have to limit who can input data?			Please describe.	

	YES	NO	DATA REQUESTS	YOUR COMMENTS
3. Is evidence of approval of data entered required?			Please show us a few samples.	
4. Are source documents checked against printouts (edits) to ensure that all data were correctly entered?				
5. Is the inputter required to sign or initial the edit run indicating that this check has been run?			Please show us a few samples.	
6. Is each source document cancelled (e.g., hole punched, marked, stamped, initiated, etc.) after it is entered to prevent duplicate entry?				
7. Are there on-screen edits to prevent duplicate entry?				
8. Have edits been designed to validate all critical fields (e.g., dates, values, codes, etc.)?			Please show us a few edit reports containing these fields.	
9. Are data edited and validated close to the point of origination?				
10. Do edits check the contents of critical data fields for the following:				
a. Reasonableness				
b. Validity				
c. Format				
d. Mathematical Accuracy				
11. Is the ability to override and bypass data validation and editing controlled by:				
a. Limiting the capability to supervisors for only a limited number of situations?			If so, please tell us who has the capability and under what situations.	

	YES	NO	DATA REQUESTS	YOUR COMMENTS
b. Logging and review of all overrides and bypasses?			Please show us some logs of overrides/ bypasses.	
12. Are source documents retained and stored in a manner that aids in tracing of the audit trail and recreation of lost data?			If so, please show us a data printout.	
13. Does the audit trail include the user ID, date, and time the data was entered/edited?				
14. Are the following duties separated so that data entry is verified by someone other than the person who did the data entry?				
a. Data origination			Please explain if any of these duties are done by the same person.	
b. Data authorization				
c. Data input				
d. Data verification				
e. Data correction				
f. Data control				
g. Output distribution				
<b>G. Output Controls</b>				
1. Is someone responsible for reviewing output for completeness?			If so, please provide the person's name and title.	
2. Are control totals reconciled?				
3. When control totals cannot be reconciled, is the problem reviewed and corrected?			If so, please provide the person's name and title who does the reviews & corrections.	
4. Is there a log of all output produced and distributed?				



	YES	NO	DATA REQUESTS	YOUR COMMENTS
5. Are these logs maintained and reviewed?			If so, please provide the person's name who maintains and reviews the logs.	
a. If so, by whom and how often?				
6. Is there a distribution list of who is to receive output?			Please show us a copy of the list.	
<b>H. Processing Controls</b>				
1. Are control totals of data submitted for processing reconciled to the total of items that have updated the master file(s)?				
2. If control totals are not used, is there a substitute method to verify that all accepted data are processed?				
3. Please describe how you ensure that data is not accepted by the system twice.				
4. Are data that do not pass the edits rejected and prevented from further processing?				
5. Is the reason for each error identified with some type of message?				
6. Are the following activities performed for rejected data:				
a. Rejected data are identified?				
b. Rejected data are investigated?				
c. Rejected data are corrected?				

	YES	NO	DATA REQUESTS	YOUR COMMENTS
d. Rejected data are resubmitted?				
7. Are rejected data which have been corrected and resubmitted subjected to the same edits and validation as original data?				
8. To whom has responsibility for investigation, correction, and resubmission of rejected data plus adjustment of control totals been assigned?			Please give us the name and title of the individual.	
9. Are these procedures documented?			Please show us the documentation.	
10. Are internal header and trailer labels on files tested for the following:				
<i>a. Input:</i>				
1) correct file identification?				
2) proper date?				
3) correct sequence of files?				
4) record count?				
5) control totals?				
<i>b. Output:</i>				
1) correct file identification?				
2) retention date of a file has passed?				
3) record count?				
4) control and hash totals?				
11. Does processing halt or is an operator notified if there is an error with an input/output file?				

	YES	NO	DATA REQUESTS	YOUR COMMENTS
12. If the above procedures are not used, please describe any other procedures followed to ensure the use of correct files and the detection of processing the wrong data file.			Please describe alternate procedures, if any.	
13. Are computer console and/or report messages used to indicate attempts to bypass file identification controls (if file label bypassing is prohibited)?				
14. Are reports of data that have updated the master files produced and reviewed?			Please show us a few reports.	
15. Are reasonableness checks performed on the master file records after their updating to ensure accurate update?				
16. Are there procedures for recovery when processing is abnormally terminated?				
17. Does the application have checkpoint and restart procedures to allow processing to continue from the record of the last checkpoint before an abnormal termination occurred?				
18. Are abnormal terminations logged?			Please show us the log.	
19. To whom is responsibility for recovery from abnormal termination assigned?				
20. Are procedures to recover from abnormal termination documented?			Please show us the documentation.	

	YES	NO	DATA REQUESTS	YOUR COMMENTS
21. To whom is responsibility assigned for periodic review of logged abnormal terminations?			Please give us the name and title of the individual.	
22. Do the data records (produced when data are entered at a terminal) include the following:			Please show us a sample printout.	
a. Identification of preparer and approver of data?				
b. Terminal ID?				
23. Do physical or logical batch (e.g. all data entered in one day) lists include the following information:			Please show us a sample list.	
a. Each batch transaction?				
b. Batch number?				
c. Preparer identification?				
d. Terminal identification?				
e. Data type?				
f. Date and/or time entered?				
24. How does the system verify computation of performance indicators?			Please describe.	
25. For performance indicator calculations, are listings or information provided to allow the processing to be traced?				
26. Have personnel been cross-trained so that the continued operation of the application is not dependent upon one individual?				

	YES	NO	DATA REQUESTS	YOUR COMMENTS
27. Are the application's current documentation, and program and data backup files backed up and maintained at an off-premise storage location?				
28. Have manual procedures been developed for use in the event of a computer outage?				

**Note:** Feel free to attach additional pages containing your comments if there is not enough space provided on the questionnaire. If you attach additional pages, be sure to put the appropriate question number by each of your comments.

# Appendix C

## SDAs Information Systems General Controls Questionnaire

# Appendix C: SDAs Information Systems General Controls Questionnaire

	YES	NO	N/A	YOUR COMMENTS
<b>A. Organization and Management of IS Activities</b>				
1. Do you keep a copy of the written policy and procedures manual promulgated by LDOL pertaining to the system at your SDA?				
2. How does management at your SDA establish a control consciousness among the employees of the SDA?				
3. Describe how management continuously monitors the IS activities.				
4. How long do you keep hard copies of original participant forms?				
<b>B. Computer Operations</b>				
1. Are jobs/reports run only during normal business hours?				
a. If not, what procedures are in place to investigate problems and disposition?				
2. Is access to system areas that house critical or sensitive data restricted?				

	YES	NO	N/A	YOUR COMMENTS
<b>C. Security Administration Policies and Procedures</b>				
1. Who is responsible for the security administration function (i.e. assigning of user IDs and passwords at your SDA)?				
2. Do all users have individually assigned user IDs and confidential passwords?				
3. Are the user IDs assigned on a business-need only basis?				
4. Does the Security Administrator monitor security reports on a periodic basis?				
a. If so, how often?				
<b>D. Logical Security</b>				
1. Does your SDA have internet access or use the internet to transmit data?				
a. If so, do you have a firewall or some other protective device to limit access to the mainframe (or other) computer?				
b. Is access to the computer from the internet restricted to only certain authorized users?				
c. Is authorized and unauthorized access to the mainframe via the internet reported?				
d. If so, are these reports reviewed?				
e. How are exceptions followed up on?				



	YES	NO	N/A	YOUR COMMENTS
f. Do you have the capability of monitoring your employees' internet access?				
2. When users log on, are the passwords masked? (Mark "no" if they are visible.)				
3. Are users allowed only a limited number of invalid sign-on attempts to the system?				
4. Is batch update to data files used?				
a. If so, how is the access to data files and databases restricted?				
5. Do you allow batch jobs to be submitted through dial-up?				
a. If so, are they subject to the same security verification routines as those originating from on-site terminals?				
<b>E. Internal Audit of IS Activities</b>				
1. Is your internal audit section involved in any evaluation of IS activities?				
a. If so, does the internal audit section perform risk assessments?				
<b>F. Input Controls</b>				
1. Are authorization and approval required before inputting data?				
a. If so, how is authorization controlled? (e.g., terminal i.d., user i.d., etc.)?				

	YES	NO	N/A	YOUR COMMENTS
2. What other controls do you have to limit who can input data?				
3. Is evidence of approval of data entered required?				
4. Are source documents checked against printouts (edits) to ensure that all data were correctly entered?				
5. Is the inputter required to sign or initial the edit run indicating that this check has been run?				
6. Is each source document cancelled (e.g., hole punched, marked, stamped, initiated, etc.) after it is entered to prevent duplicate entry?				
7. Are there on-screen edits to prevent duplicate entry?				
8. Have edits been designed to validate all critical fields (e.g., dates, values, codes, etc.)?				
9. Are data edited and validated close to the point of origination?				
10. Do edits check the contents of critical data fields for the following:				
a. Reasonableness				
b. Validity				
c. Format				
d. Mathematical Accuracy				

	YES	NO	N/A	YOUR COMMENTS
11. Is the ability to override and bypass data validation and editing controlled by:				
a. Limiting the capability to supervisors for only a limited number of situations?				
b. Logging and review of all overrides and bypasses?				
12. Are source documents retained and stored in a manner that aids in tracing of the audit trail and recreation of lost data?				
13. Does the audit trail include the user ID, date, and time the data was entered/edited?				
14. Are the following duties separated so that data entry is verified by someone other than the person who did the data entry?				
a. Data origination				
b. Data authorization				
c. Data input				
d. Data verification				
e. Data correction				
f. Data control				
g. Output distribution				
<b>G. Output Controls</b>				
1. Is someone responsible for reviewing output for completeness?				
2. Are control totals reconciled?				

	YES	NO	N/A	YOUR COMMENTS
3. When control totals cannot be reconciled, is the problem reviewed and corrected?				
4. Is there a log of all output produced and distributed?				
5. Are these logs maintained and reviewed?				
a. If so, by whom and how often?				
6. Is there a distribution list of who is to receive output?				
<b>H. Processing Controls</b>				
1. Please describe how you ensure that data is not accepted by the system twice.				
2. Are data that do not pass the edits rejected and prevented from further processing?				
3. Is the reason for each error identified with some type of message?				
4. Are the following activities performed for rejected data:				
a. Rejected data are identified?				
b. Rejected data are investigated?				
c. Rejected data are corrected?				
d. Rejected data are resubmitted?				

	YES	NO	N/A	YOUR COMMENTS
5. Are rejected data which have been corrected and resubmitted subjected to the same edits and validation as original data?				
6. To whom has responsibility for investigation, correction, and resubmission of rejected data plus adjustment of control totals been assigned?				
7. Are these procedures documented?				
8. Have personnel been cross-trained so that the continued operation of the application is not dependent upon one individual?				
9. Have manual procedures been developed for use in the event of a computer outage?				

**Note:** Feel free to attach additional pages containing your comments if there is not enough space provided on the questionnaire. If you attach additional pages, be sure to put the appropriate question number by each of your comments.



# Appendix D

## Contract Provisions Evaluated

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# Appendix D: Contract Provisions Evaluated

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## Contract Provisions We Evaluated

### Does the contract contain the following:

#### The right to:

1. Inspect the contractor's premises?
2. Have access to its records during business and operations hours?

#### Change provisions:

3. Provisions addressing contract changes/modifications
4. Can changes/modifications to the contract be made?
  - If so, does the contract describe *how*?
  - If so, does the contract describe *by whom*?

#### Non-performance provisions:

5. Sanctions for non-performance
6. Termination for cause clause

#### How the contractor will be paid:

7. Payment points (partial payments for fixed price, reimbursement payments for cost-type contracts)
8. Forms and formats for invoicing to be used and submitted, including supporting documentation
9. The maximum elapsed time between contractor invoice submission and payment

#### Miscellaneous provisions:

10. How *contract* grievances and disputes will be handled
11. Actions required of the SDA and the contractor to close out the contract

#### Expected performance:

12. Program intent/purpose
13. How participants' progress will be communicated to the SDA
14. What records must be kept for verifying contractor's performance
15. What happens if performance standards are not met





# Appendix E

## Response of the Louisiana Department of Labor



**LOUISIANA WORKS**  
DEPARTMENT OF LABOR

**M.J. "Mike" Foster, Jr.**  
Governor

**Garey Forster**  
Secretary

**OFFICE OF THE SECRETARY**

March 9, 2000

Dr. Daniel G. Kyle, CPA, CFE  
Office of Legislative Auditors  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle 

Thank you for the opportunity to respond to the preliminary draft of the performance audit of the Louisiana Department of Labor's (LDOL) federally funded Job Training Partnership Act (JTPA) program.

According to the audit report, the specific audit objectives were to answer the following two questions:

Were JTPA performance data accurately reported from the Service Delivery Areas (SDAs) to LDOL and from LDOL to the federal government, the state, and its citizens?  
Did monitoring at the SDA and LDOL levels verify whether training service providers met contract deliverables?

The Department feels that it is in substantial compliance with the above stated objectives as corroborated by the audit report. However, please be assured that we are very interested in the continuous improvement in performance of the programs we administer and are providing the attached responses to the recommendations contained in the report.

Thank you for your recommendations and should you have any further questions or need further information relative to this matter, please contact me.

Cordially,

  
Garey Forster  
Secretary of Labor

GJF/ACW/jg

Attachment

## **RESPONSES TO RECOMMENDATIONS**

## **Chapter 2: Accuracy of Performance Data**

### **Recommendation 2.1**

LDOL should ensure compliance with the policy of updating the LDOL and SDA cost centers periodically to remove access for employers who have been terminated or no longer require access to the mainframe. This is necessary to ensure that data in the system are secure.

### **Response**

LDOL has compiled a comprehensive security policy that will be made available to all employees in April 2000. As a part of this policy, LDOL has already instituted revised security auditing procedures to ensure periodic review of all accesses to LDOL data by both internal LDOL users, SDA users, and outside agencies. The Internal Security Unit will monitor this review process, requiring responses from all units/agencies, and following up individually with any unit/agency which does not respond in a timely fashion (please refer to attached Internal Security and OWD instructions). In addition, all mainframe userids are now automatically revoked after 90 days of inactivity and/or 5 consecutive invalid sign-on attempts. The OWD staff will monitor compliance with this policy and provide training to SDA/WIA staff in March and April 2000.

### **Recommendation 2.2**

LDOL and the Louisiana Workforce Commission should ensure training provider codes on the Eligible Provider List are accurately communicated to and used by the Workforce Investment Boards. Also, LDOL should develop training provider codes for On-the-Job Training providers. These steps will ensure that the Workforce Investment Boards have access to placement rates on each contractor.

### **Response**

The system reviewed in this audit was an early attempt to develop an accountability system for training providers prior to development of the SCORECARD system. Skilled training for adults under WIA will be provided through Individual Training Accounts (ITAs) with training providers on a statewide eligibility provider list accessible through LDOL's LOIS system. Using lessons learned from this earlier system, LDOL's OWD, working with our Office of Occupational Information, has ensured that the eligible provider/ITA system being developed will use a single training provider identification system. This system will provide local workforce investment boards with training provider SCORECARD data, correlated with data from our MIS system. OWD staff will provide training to SDA/WIA staff in March and April 2000.

The JTPA regulations provide an OJT provider policy that contains minimum requirements for contracting with employers (copy attached). Louisiana's WIA state plan contains the new OJT policy and required data collection requirements (copy attached). Since OJT can be provided to WIA participants by any employer in the state, it would be problematic to develop a new set of codes to identify each employer. OWD will work with the LWIAs and the Workforce Commission to develop appropriate systems that will include information needed to assist the local boards make contracting decisions.

### **Recommendation 2.3**

LDOL should keep documentation of how it calculates the state performance indicators in the future. The department should have this information readily available for examination. LDOL should submit this information to the Office of Planning and Budget with its Strategic Plan. Doing this will ensure the integrity of the numbers LDOL represents as measures of its performance.

### **Response**

Documentation supporting performance indicator calculations is maintained, however, to ensure the results can be duplicated by non LDOL staff persons the OWD has redesigned its documentation process for the state performance indicator calculations. LDOL OWD has issued a memo to staff on documentation of performance indicators (copy attached). As required by the Strategic Plan Requirements, the calculation documentation for the 99-00 budget indicators was attached to the strategic plan (copy attached). The 2000-2001 indicators were developed in line with the federal measures so that there will be a clear cross walk between state and federal measures with clear documentation to support both. As requested by the Office of Planning and Budget, the calculations for these new measures were included as footnotes.

### **Recommendation 2.4**

For the Job Training and Placement Program in the 2001-2002 Executive Budget Request, LDOL should work with the Office of Planning and Budget to:

- Add a performance indicator that clearly measures the increase in training opportunities under Objective #1 for Adult and Dislocated Workers.
- Clarify the youth competency attainment indicator so that readers can determine whether individuals are being counted more than once.
- Consider formulating separate measures for older and younger youth, in accordance with the federal performance indicators, or at least specifying what ages the state's definition of "youth" covers.
- Consider developing an indicator of the program's effect on the state's unemployment rate or else delete this phrase from the mission statement.
- If the program does retain the statement about reducing unemployment in its mission statement, consider reporting the state's unemployment rate for each program year, along with a brief narrative description of all factors that influenced it.

### **Response**

- LDOL's OWD will rewrite the performance indicator to clearly emphasize what is to be measured in the 2001-2002 budget request.
- LDOL's OWD will clearly footnote the youth competency attainment indicator with the definition in the 2001-2002 budget request.
- LDOL's OWD will specify what ages are considered youth in the youth performance indicator in the 2001-2002 budget request.

- Lowering the unemployment rate has been deleted from the agency's mission statement and will be deleted from the OWD's mission statement (copy attached).
- LDOL currently issues monthly and yearly reports on the unemployment rate and factors that influence it through the efforts of the research and statistic unit and public relations (copy attached).

## **Chapter 3: Monitoring**

### **Recommendation 3.1**

LDOL and/or the SDAs/Workforce Investment Boards should draft and present to the Louisiana Workforce Commission standard language for contracts that includes, at a minimum, provisions required by federal laws and regulations as well as those recommended by USDOL. They should make their recommendations to the Louisiana Workforce Commission. The provisions should be clearly stated and easy to identify. They should also include other provisions discussed above. As USDOL develops new contract guidelines for the Workforce Investment Act, then LDOL and the Workforce Investment Boards should adopt the USDOL format.

### **Response**

A WIA instruction will be issued no later than 3/17/00 that will provide a listing of necessary clauses as defined by federal law and regulations. This instruction will also address the necessity of clearly defining deliverables in the contract.

### **Recommendation 3.2**

LDOL and the SDAs/Workforce Investment Boards should write contracts with training service providers so that the contractors' role in providing services is clear and where training will be performed is specified. When writing these contracts, LDOL and the SDAs/Workforce Investment Boards may find it useful to:

- Include a section in each contract listing all contractor deliverables and their associated performance standards.
- Make sure that all services discussed in the body of the contract are included in the deliverables section.

### **Response**

In follow-up to the instruction referred to at 3.1, state level staff will be trained on contract models, the analysis of the contract statement of work, and identification of contract deliverables by 3/24/00. This training will include tying standards of performance to the contract deliverables.

### **Recommendation 3.3**

LDOL and the SDAs/Workforce Investment Boards should write contracts with training service providers so that:

- Each deliverable has identifiable performance standards, or some measurable level of service.
- Performance standards are adequate to address the purpose of the training and are related to training. For example, standards should cover areas for which the contractor is directly responsible and can legitimately claim credit.

### **Response**

After training state staff, the local Workforce Investment Board staffs will be trained in the RFP process and contract writing, in accordance with the above instruction by 4/22/00. This will insure that contracts with training providers clearly identify deliverables, performance standards and measurable service levels. This training will be in conjunction with statewide Management Information System (MIS) training.

### **Recommendation 3.4**

LDOL should develop programmatic monitoring guidelines for the Workforce Investment Boards that include the following:

- Monitors at the SDAs/Workforce Investment Boards and LDOL monitors responsible for direct state contracts should identify and list all contract deliverables. They should then verify that each one was produced. Their reports should state that they have done this assessment and provide the results.
- Monitors should identify the sources of information in their reports.
- Monitors should also keep documents in their monitoring files that verify delivery of critical deliverables.

### **Response**

Many improvements have been made to our monitoring process during the past year. We are continuing to revise our review guide to make it as effective as possible. As part of our current revisions we are adding a section that specifically addresses contract deliverables. The monitor will be required to identify and list each contract deliverable and verify if the deliverable has been produced successfully or if satisfactory progress is being made toward producing the deliverable. The monitor will also identify the source of information used for verification and will attach to their work papers the documents used to verify delivery of critical deliverables. These procedures are now being added to our JTPA review guide and will be provided to our monitors through an instruction by March 15, 2000. They will be included as part of a monitoring training session we will be conducting for the SDA monitors on April 18, 2000. These procedures will become part of our Workforce Investment Act (WIA) monitoring review guide.

### **Recommendation 3.5**

LDOL should present these guidelines to the Louisiana Workforce Commission. The Commission should recommend that the Workforce Investment Boards adopt such guidelines as programmatic monitoring policy. LDOL monitors should verify compliance with the policy.

### **Response**

Our Workforce Investment Act (WIA) monitoring review guide will be completed and submitted to the Louisiana Workforce Commission by May 15, 2000. WIA programmatic monitoring guidelines will be provided to Workforce Investment Boards (WIBs).



### **Recommendation 3.6**

When LDOL redesigns its participant database, it should consider building in the capability for appropriate local workforce investment staff to make inquiries of performance results by contractor, including on-the-job training contractors.

### **Response**

Louisiana's state plan contains the new OJT policy and required data collection requirements. Since any employer in the state can provide on-the-job training to WIA participants, it would be problematic to develop a new set of codes to identify each employer. The new system being developed will include information needed to assist the local boards in making contracting decisions.

### **Recommendation 3.7**

LDOL and the SDAs/Workforce Investment Boards should create and/or properly maintain a central filing procedure so that authorized users can easily locate monitoring reports and files.

### **Response**

As part of the reorganization in the Office of Workforce Development, all monitoring functions were consolidated in a single independent monitoring unit. All monitoring files are now maintained in one location by this unit.

### **Recommendation 3.8**

LDOL and SDA/Workforce Investment Board monitors should initial and date all workpapers in their files.

### **Response**

All LDOL monitors have been instructed to initial and date all workpapers. Our current revision to the review guide includes a new item at the bottom of each page for the monitor to record their initials and the date that page was completed.

### **Recommendation 3.9**

SDA and Workforce Investment Board monitors should develop monitoring plans for each contract. Doing so will help ensure that each contract is monitored and that critical aspects of training providers' performance are reviewed.

### **Response**

All LDOL contracts are scheduled for monitoring at the beginning of each program year. New contracts are added to this written schedule as they are approved. WIB monitors will be required to establish a yearly schedule for monitoring all contracts. Prior to monitoring each contract, both LDOL and WIB monitors will be required to review the contract and identify all deliverables. These procedures will help ensure that all contracts are monitored and that critical aspects of training provider's performance are reviewed.

**Recommendation 3.10**

Management at the SDAs/Workforce Investment Boards should review and sign all monitoring reports, ensure that findings are followed up, and submit monitoring summary information to the bodies responsible for oversight on a regular basis.

**Response**

It is our understanding that this recommendation was sent to the three SDAs identified in the audit for their responses. The issues of management review, following up on findings, and submission of monitoring findings to appropriate individuals will be included in our training of SDA monitors scheduled for April 18, 2000.

**Recommendation 3.11**

The state and/or the SDAs/Workforce Investment Boards should develop, recommend to the Louisiana Workforce Commission, and implement a written on-the-job training policy. This policy should define how the Workforce Investment Boards should determine training times for on-the-job training contracts, using a reasonable standard. The LDOL monitors should review compliance with the policy.

**Response**

While neither the Act or Federal Regulations define the length of on-the-job training(OJT) contracts, the Standard Vocational Preparation (SVP) code, found in the Dictionary of Occupational Titles, 4th edition (1991) does suggest a standard length based on average training times. SDAs were provided training in OJT contracting during the first quarter of 1994. Two SDAs were cited for excessive training length and for failing to properly document the reason for the length of training selected. The SDAs involved were contacted on 2/27/00 and 2/28/00 and instructed to use the SVP code as a starting point in negotiating OJT contracts. A revision to JTPA instruction #393 of August 9, 1994 has been prepared and will be issued by 3/8/00 mandating this.



M. J. "Mike" FOSTER, JR.  
GOVERNOR

**State of Louisiana**  
DEPARTMENT OF LABOR  
Office of Workforce Development  
Post Office Box 94094  
Baton Rouge, Louisiana 70804-9094

GAREY FORSTER  
SECRETARY

February 14, 2000

Recommendation 2.1

**JOB TRAINING PARTNERSHIP ACT**  
**TITLE II/III INSTRUCTION NO. 497**  
In Reply Refer to: LDOL Internal Security Unit

TO: All Service Delivery Areas and Subrecipients  
FROM: Sujuan M. Williams Boutte', Assistant Secretary *SMW*  
SUBJECT: LDOL Data Security Administration Changes

Effective immediately any User ID in the LDOL Security System that is inactive (unused) for more than ninety (90) days will automatically be revoked. Also, five (5) unsuccessful attempts to sign onto the LDOL system with a password will result in the individual's User ID being revoked. If either of these situations occur, a message will appear on the computer screen indicating that the User ID has been revoked. In this case, the individual must contact the LDOL Internal Security Division at (225) 342-9131 in order for his/her User ID to be restored and password reset.

If you have any questions, please contact Marsha Ingram in the LDOL Internal Security Division at the above number.

SMWB:SM:fc

12/11/99  
From: *Marsha Ingram*

Carolyn Green/LDOL@LDOL, Kathleen Kennedy/LDOL@LDOL, Evangeline 'Marie' Avant/LDOL@LDOL, Mary Alltmont/LDOL@LDOL, Vicki Abdo/LDOL@LDOL, Junior Allen/LDOL@LDOL, Michael Delafosse/LDOL@LDOL, Carolyn Gorham/LDOL@LDOL, Ida Roberts/LDOL@LDOL, Jack Diliberto/LDOL@LDOL, Patsy Lott/LDOL@LDOL, Tommye Savoy/LDOL@LDOL, Susan Williams/LDOL@LDOL, Larry White/LDOL@LDOL, Cecil Formby/LDOL@LDOL, Melodie Landry/LDOL@LDOL, Selena Ellois/LDOL@LDOL, Liz Roberson/LDOL@LDOL, Sandra Spradley/LDOL@LDOL, Prentiss Stevens/LDOL@LDOL, Marianne Sullivan/LDOL@LDOL, Lowry Lacy/LDOL@LDOL, Melissa Kleinpeter/LDOL@LDOL, Richard Brown/LDOL@LDOL, Percy Rodriguez/LDOL@LDOL, Ed Strickland/LDOL@LDOL, Mary Genre/LDOL@LDOL, Norita Comeaux/LDOL@LDOL, Dale Cleveland/LDOL@LDOL, Lou Copeland/LDOL@LDOL, Gregory Declouet/LDOL@LDOL, Raymond Lashute/LDOL@LDOL, Cynthia Bentley/LDOL@LDOL, Glenn Meche/LDOL@LDOL, John Butler/LDOL@LDOL, Bernardine Dupre/LDOL@LDOL, Robert Earhart/LDOL@LDOL, Roy Keenan/LDOL@LDOL, Cecile Keenan/LDOL@LDOL, Winfred Warner/LDOL@LDOL, Junior Allen/LDOL@LDOL, Kathi Brodnax/LDOL@LDOL, Cheryl Comans/LDOL@LDOL, Philip Chenevert/LDOL@LDOL, Louise Harrell/LDOL@LDOL, James Pillot/LDOL@LDOL, Patricia Stratton/LDOL@LDOL, Elaine Gosselin/LDOL@LDOL, Anthony 'Steve' Maggio/LDOL@LDOL, Magdalen LeBlanc/LDOL@LDOL, Penny Green/LDOL@LDOL, Linda Odom/LDOL@LDOL, Terry Denoux/LDOL@LDOL, Laura Moody/LDOL@LDOL, Kathy Farrar/LDOL@LDOL, Robert Sexton/LDOL@LDOL, Samuel Battaglia/LDOL@LDOL, Joyce Knight/LDOL@LDOL, Anne Flynn/LDOL@LDOL, Jacque Lasseigne/LDOL@LDOL, Mike McGrew/LDOL@LDOL, Ruby Wise/LDOL@LDOL, William Benson/LDOL@LDOL

cc:

Subject: RACF Procedures

MEMORANDUM:

TO: Cost Center Designees/Managers

FROM: Internal Security

Effective immediately, all cost center designees/managers must review all employees' RACF accesses under your cost center. This review should be done monthly. Please review each employee's transaction capabilities to ensure each employee has only the transactions necessary to perform his/her job duties. This information is available to you on the mainframe. Transaction SCIQ/cost center number will display all employees with RACF access under your cost center. Transaction SCIQ/SSN will display by groups that employee's accesses.

Contact me at (225) 342-9131 if there are any discrepancies with the listings or if you have any questions regarding this memo.

A follow-up memo with a SCIQ/cost center number and SCIQ/SSN report attached will be mailed to you within the next two weeks.



State of Louisiana  
DEPARTMENT OF LABOR  
AUDIT & SECURITY  
Post Office Box 94094  
Baton Rouge, Louisiana 70804-9094  
(225) 342-5130

M.J. "MIKE" FOSTER, JR.  
GOVERNOR

GAREY J. FORSTER  
SECRETARY

## MEMORANDUM

**DATE:** December 16, 1999

**TO:** Cost Center Designees/Managers

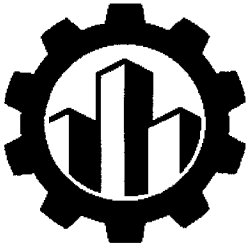
**FROM:** Marsha Ingram, Audit & Security Division

**RE:** RACF Accesses Review

This is a follow-up memo to the memo e-mailed to all cost center managers on 12/1/99 regarding RACF procedures. Attached is a report that indicates employees under your cost center and following that report is a breakdown of each employee's transactions they currently hold. Please review this report and be sure that the list of employees in your cost center is accurate. Be sure each employee that accesses the system and is employed under your cost center is reported in your cost center. Review each employee's transaction capabilities to ensure all employees have only the transactions necessary to perform his/her job duties.

This information needs to be reviewed each month. A monthly reminder will be sent to each cost center by e-mail. The information provided on the attached reports is available on the mainframe. Transaction SCIQ/cost center provides a list of employees in the cost center. Transaction SCIQ/social security number provides a list of that employee's transaction groups.

If you have any questions, you can contact me at (225) 342-9131.



# LOUISIANA WORKS

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## DEPARTMENT OF LABOR

**To:** Cost Center Managers/Designees  
**From:** Marsha Ingram, Audit & Security Division  
**Date:** 3/1/00  
**Re:** RACF Review

This is a reminder that it is time to review the employees in your cost center with access to the mainframe. Please make sure all employees working in your cost center who access the mainframe are listed in your cost center. SCIQ/cost center will list all current employees in your cost center. In case of a discrepancy, call me at (225) 342-9131 or send an email to Marsha [Ingram/LDOL@ldol](mailto:Ingram/LDOL@ldol) so we can take action to add/delete the employee(s). The SCIQ/cost center transaction requires 5 digits for a cost center, so add a zero (0) to the end of your 4-digit cost center number. Also, review all cost center employees' transaction capabilities by accessing SCIQ/social security number. Make sure that each employee has only the transaction groups necessary to perform his/her job duties and make any necessary corrections.

We are in the process of reorganizing the LDOL Employee Group. You will receive a memo regarding this in the very near future.

Once your review has been completed and updated, send a notice to me via email that the review has been completed. Please respond by March 20, 2000 and provide your cost center number on your response. If you have any questions, call me at (225) 342-9131 or email me, Marsha [Ingram/LDOL@ldol](mailto:Ingram/LDOL@ldol).

WIA Law  
Recommendation 2.2  
QT employees

PUBLIC LAW 105-220—AUG. 7, 1998

112 STAT. 1057

applicable to local plans and private industry councils under prior consistent State laws.

(b) DEFINITION.—In this section:

(1) COVERED STATE.—The term “covered State” means a State that enacted State laws described in paragraph (2).

(2) PRIOR CONSISTENT STATE LAWS.—The term “prior consistent State laws” means State laws, not inconsistent with the Job Training Partnership Act or any other applicable Federal law, that took effect on September 1, 1993, September 1, 1995, and September 1, 1997.

**SEC. 195. GENERAL PROGRAM REQUIREMENTS.**

29 USC 2945.

Except as otherwise provided in this title, the following conditions are applicable to all programs under this title:

(1) Each program under this title shall provide employment and training opportunities to those who can benefit from, and who are most in need of, such opportunities. In addition, efforts shall be made to develop programs which contribute to occupational development, upward mobility, development of new careers, and opportunities for nontraditional employment.

(2) Funds provided under this title shall only be used for activities that are in addition to those that would otherwise be available in the local area in the absence of such funds.

(3)(A) Any local area may enter into an agreement with another local area (including a local area that is a city or county within the same labor market) to pay or share the cost of educating, training, or placing individuals participating in programs assisted under this title, including the provision of supportive services.

(B) Such agreement shall be approved by each local board providing guidance to the local area and shall be described in the local plan under section 118.

(4) On-the-job training contracts under this title shall not be entered into with employers who have received payments under previous contracts and have exhibited a pattern of failing to provide on-the-job training participants with continued long-term employment as regular employees with wages and employment benefits (including health benefits) and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

(5) No person or organization may charge an individual a fee for the placement or referral of the individual in or to a workforce investment activity under this title.

(6) The Secretary shall not provide financial assistance for any program under this title that involves political activities.

(7)(A) Income under any program administered by a public or private nonprofit entity may be retained by such entity only if such income is used to continue to carry out the program.

(B) Income subject to the requirements of subparagraph

(A) shall include—

(i) receipts from goods or services (including conferences) provided as a result of activities funded under this title;

(ii) funds provided to a service provider under this title that are in excess of the costs associated with the services provided; and

(e) *Violations and sanctions.* The Department will promptly review and take appropriate action with regard to alleged violations of the provisions of paragraphs (a) and (b) of this section. Procedures for the investigation and resolution of the violations are provided for under subpart F of this part. Sanctions and remedies are provided for under subpart G of this part.

**§ 627.220 Coordination with programs under title IV of the Higher Education Act including the Pell grant program.**

(a) *Coordination.* Financial assistance programs under title IV of the Higher Education Act of 1965, as amended (HEA) (the Pell Grant program, the Supplemental Education Opportunity Grant program, the Work-study program, and Federal loan programs such as Federal Perkins Loans, Federal Stafford Loans and Federal Direct Stafford Loans) provide student financial aid and are available to JTPA participants enrolling in postsecondary level education programs. SDA's and title III SSG's shall establish coordination procedures and contractual safeguards to ensure that JTPA funds are used in addition to funds otherwise available in the area and are coordinated with these funding sources.

(b) *Affordable programs.* (1) The SDA shall assist the participant early in the objective assessment, as appropriate, to establish eligibility for Pell Grants, student loans and other forms of financial aid.

(2) The SDA or SSA shall record in the ISS or participant record the participant's training-related financial assistance needs and the mix of JTPA and other funds, including Pell Grant funds (sections 141(b), 107(b), 205(b) and 265(b)).

(3) The SDA shall ensure, to the extent practicable, that available Federal, State, and local resources are coordinated sufficiently to meet the training and education-related costs of services, so that the participant can afford to complete the agreed-upon program successfully.

(4) Participants shall not be required to apply for or access student loans, or incur personal debt as a condition of JTPA participation.

(c) *Information sharing.* To prevent duplication of funding and to streamline the tracking of the participant's financial needs and use of funds when HEA, title IV programs are involved, contracts and agreements with educational institutions shall require the educational institution's financial aid officer to inform the SDA's/SSG's of the amounts and disposition of any

HEA, title IV awards and other types of financial aid to each JTPA participant awarded after the enrollment of the participant, as part of a continuing, regular information sharing process (section 141(b)).

**§ 627.225 Employment generating activities.**

(a)(1) No funds available under the Act shall be used for employment generating activities, economic development activities, investment in revolving loan funds, capitalization of businesses, investment in contract bidding resource centers, or similar activities.

(2) No funds available under titles I, II, or III of the Act shall be used for foreign travel for employment generating activities, economic development activities, or similar activities.

(b) JTPA funds may be used for normal employer outreach and job development activities including, but not limited to: contacts with potential employers for the purpose of placement of JTPA participants; participation in business associations (such as chambers of commerce); JTPA staff participation on economic development boards and commissions, and work with economic development agencies, to provide information about JTPA and to assist in making informed decisions about community job training needs; subscriptions to relevant publications; general dissemination of information on JTPA programs and activities; labor market surveys; and development of on-the-job training (OJT) opportunities, as defined in § 627.240; and other allowable JTPA activities in the private sector.

**§ 627.230 Displacement.**

(a) No currently employed worker shall be displaced by any participant (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits).

(b) No participant shall be employed or job opening filled: (1) When any other individual is on layoff from the same or any substantially equivalent job, or

(2) When the employer has terminated any regular employee without cause or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring a participant whose wages are subsidized under the Act.

(c) *Violations and sanctions.* The Department will promptly review and take appropriate action with regard to alleged violations of the provisions of paragraphs (a) and (b) of this section. Procedures for the investigation and

resolution of violations are provided for under subpart F of this part. Sanctions and remedies are provided for under subpart G of this part.

**§ 627.235 General program requirements.**

(a) The requirements set forth in sections 141, 142 and 143 of the Act apply to all programs under titles I, II, and III of the Act, except as provided elsewhere in the Act.

(b) Recipients shall ensure that an individual enrolled in a JTPA program meets the requirements of section 167(a)(5) of the Act, Section 3 of the Military Selective Service Act (50 U.S.C. App. 453) and other requirements applicable to programs funded under the specific section or title of the Act under which the participant is enrolling (section 604).

(c) Recipients shall ensure that individuals are enrolled within 45 days of the date of eligibility determination or a new eligibility determination (including new application, if necessary) shall be made, except that eligible summer program applicants under title II-B may be enrolled within 45 days into a summer youth enrollee pool, and no subsequent eligibility determination need be made prior to participation during the period of that summer program. In addition, the 45-day enrollment requirement shall not apply for individuals who have a valid certificate of continuing eligibility under the title III program, as described in § 631.3 and § 631.53 of this chapter.

(d) Programs operated under titles I, II, and III of the Act are not subject to the provisions of 29 CFR part 97, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," except as otherwise explicitly provided in this chapter.

(e) If a recipient or SDA imposes a requirement that is in addition to the provisions of the Act and these regulations relating to the administration and operation of programs funded by the Act, the recipient or SDA shall identify the requirement as a State- or SDA-imposed requirement (section 124).

**§ 627.240 On-the-job training.**

(a) *General—(1) On-the-job training (OJT)* means training by an employer in the private or public sector given to a participant who, after objective assessment, and in accordance with the ISS, has been referred to and hired by the employer following the development of an agreement with the employer to provide occupational training in exchange for reimbursement of the employer's extraordinary costs.



On-the-job training occurs while the participant is engaged in productive work which provides knowledge and skills essential to the full and adequate performance of the job.

(2) This does not preclude a participant who has been trained by one employer from ultimately being placed in a comparable training-related position with another employer.

(3) On-the-job training may be sequenced with or accompanied by other types of training such as classroom training or literacy training.

(b) *Duration of OJT.*—(1) OJT authorized for a participant shall be limited to a period not in excess of that required for the participant to acquire the skills needed for the OJT position. Except as described in paragraph (b) (3) of this section, the period of reimbursement to the employer under an OJT agreement shall not exceed 6 months of training.

(2) The 6-month duration of OJT may be expressed as a number of hours, days, or weeks the participant is expected to work in a 6-month period if the participant works full-time.

(3) In the event that a participant's regular employment is less than full-time and less than 500 hours of OJT has occurred by the end of 6 months, that participant may remain in OJT until 499 hours OJT hours have occurred.

(4)(i) Recipients shall develop policies and procedures for determining the average training duration for occupations including to reflect an individual participant's need for additional training time, or reduction in training time to reflect the individual participant's partial acquisition of needed skills. (In no case should an individual who is fully skilled in an occupation be placed in OJT in that occupation.)

(ii) In determining the average training time, consideration should be given to recognized reference materials, such as the "Dictionary of Occupational Titles" (DOT) and employer training plans. Such materials need not be limited to the DOT, however.

(5) On-the-job training is encouraged, but not required, in all occupations with significant training content, particularly in higher-skill occupations appropriate to the participant's needs. Training plans may be developed that recognize the full duration of the OJT period necessary for the full and adequate performance of the job, but the period of reimbursement may not exceed the duration in paragraph (a)(1) or (a)(2) of this section.

(6) When the OJT period in a given occupation for a participant for whom the ISS identifies OJT as appropriate

varies from the average for that occupation, the basis for the variation shall be recorded in the ISS.

(c) *On-the-job training payments to employers.* (1) On-the-job training payments to employers are deemed to be in compensation for the extraordinary costs associated with training participants and in compensation for the costs associated with the lower productivity of such participants. Employers shall not be required to document such extraordinary costs or lower productivity (section 141(g)(1)).

(2)(i) On-the-job training payments to employers shall not, during the period of such training, average more than 50 percent of the wages paid by the employer to OJT participants.

(ii) On-the-job training payments to employers may be based upon scheduled raises or regular pay increases.

(iii) On-the-job training payments may not be based on overtime, shift differential, premium pay and other nonregular wages paid by the employer to participants.

(iv) On-the-job training payments may not be based upon periods of time such as illness, holidays, plant downtime or other events in which no training occurs.

(3) Employers which provide classroom or vestibule training to meet the specific training needs of JTPA participants to equip them with education and knowledge necessary to the OJT occupation may be separately reimbursed for training costs, such as instructors and training material.

(d) *On-the-job training agreements.* (1) Each OJT agreement shall, at a minimum, specify the occupation(s) for which training is to be provided, the duration of the training, the number of participants to be trained in each occupation, wage rates to be paid, the rate of reimbursement, the maximum amount of reimbursement, a job description or training outline that reflects what the participant will learn, and any other separate classroom training that may be provided.

(2) The agreement shall provide that the employer will maintain and make available time and attendance, payroll and other records to support amounts reimbursed under OJT contracts.

(e) *Labor standards.* OJT participants shall be compensated by the employer at the same rates, including periodic increases, as similarly situated employees, but in no event less than the higher of the minimum wage specified under the Fair Labor Standards Act of 1938, as amended or the applicable State or local minimum wage.

Participants must receive the same benefits and have the same working conditions as similarly situated employees.

(f) *Suitability of participants.* (1) Only those participants who have been assessed and for whom OJT has been determined as an appropriate activity in the participant's ISS may be referred to an employer for participation in OJT.

(2) An individual referred to the JTPA program by an employer may be enrolled in an OJT program with such employer only upon completion of the objective assessment and individual service strategy in which OJT with such employer has been determined to be an appropriate activity and only if the employer has not already hired such individual.

(3) OJT with the participant's previous or current employer in the same, a similar, or an upgraded job is not permitted.

(g) *Monitoring.* (1) OJT agreements shall be monitored periodically on-site by the entity issuing the contract to assure that the validity and propriety of amounts claimed for reimbursement are substantiated by payroll and time and attendance records and that the training is being provided as specified in the agreement.

(2) Brokering contractors shall conduct on-site monitoring of the OJT employers and other subcontractors to verify compliance with subcontract terms before making payments.

(3) Nothing in this paragraph (g) shall relieve recipients and SDA's from responsibility for monitoring expenditures under the Act.

(h) *Employer eligibility.* (1) OJT agreements shall not be entered into with employers which, under previous agreements, have exhibited a pattern of failing to provide OJT participants with continued long-term employment as regular employees with wages, benefits and working conditions at the same level and to the same extent as similarly situated employees. This prohibition does not apply to OJT agreements for youth in the program under title II-B who are returning to school.

(2) Governors shall issue procedures and criteria to implement the requirement in paragraph (h)(1) of this section, which shall specify the duration of the period of loss of eligibility. The procedures and criteria shall provide that situations in which OJT participants quit voluntarily, are terminated for cause, or are released due to unforeseeable changes in business conditions will not necessarily result in termination of employer eligibility.

(i) *Brokered OJT.* Each agreement with an OJT employer that is written by a

Recommendation 2.2  
WT employees

- C. **SELECTION OF SERVICE PROVIDERS FOR INDIVIDUAL TRAINING ACCOUNTS (ITAs)**  
LDOL has been designated as the agency responsible for the SCORECARD system that will be used to determine the selection of service providers for Individual Training Accounts. LDOL has worked with local workforce boards, training service providers, business and labor organizations in the development of policies and procedures for determining the initial and continuing eligibility for local level training providers (see attachment F). Act I of the 1997 Louisiana Legislature required Louisiana to develop a SCORECARD system for all training providers which was implemented by January 2000. This system will provide the information needed to determine provider eligibility including employment in training related occupations and wage rates. The provider list will be maintained by LDOL and available in all one-stops and on the Internet through LDOL's Louisiana Occupational Information System (LOIS). The system currently displays information on all training providers in the state, including contact information, course offerings, tuition, and supportive services such as child care, transportation, financial aid, job placement, etc. The scorecard information, indicating the performance of the provider, will be added to this system. As part of the SCORECARD system, a written policy has been developed by January 2000 for local boards to use to work with the state to identify eligible providers of training services. This policy includes procedures for providers of training services to appeal a denial of eligibility.

**Louisiana does not intend to institute any statewide policies limiting Individual Training Accounts. LWIBs have been asked, in the local planning guidelines, to describe in their local plans any limitations that they intend to place on the local use of ITAs. The guidelines specify that such limitations may not be implemented in a manner that undermines the WIA's requirement to maximize customer choice in the selection of eligible training providers. LDOL has convened a workgroup to develop and pilot strategies for use of ITAs during PY2000.**

**Performance information that OJT and Customized Training Providers must provide:**

**Requirements: The local program must not contract with an employer who has previously exhibited a pattern of failing to provide OJT or customized training participants with continued long-term employment with wages, benefits, and working conditions what are equal to those provided to**

**regular employees who have worked a similar length of time and are doing the same type of work.**

**Data Collection and Dissemination: One Stop operators in a local area must collect such performance information as number of trainees, number of participants retained in unsubsidized employment for six months including those jobs with fringe benefits (retirement and employer assisted health insurance, etc.), hourly wages and whether the jobs are part of career ladders. This performance information will be analyzed by the one-stop operator and a determination made as to whether the providers meet the above stated requirements. A list of providers that have met such requirements will be disseminated through the one-stop delivery system.**

**d. EMPLOYMENT STATISTICS INFORMATION**

LOIS allows Louisiana to deliver high quality employment statistics information and all ALMIS information via the Internet. This system is being enhanced as new products are introduced. Act 1 of the 1997 Louisiana Legislature required Louisiana to develop an occupational forecasting system that forecasts new and replacement needs of occupations in demand.

**e. WORKTEST AND FEEDBACK REQUIREMENTS**

Job Service continues to provide a fully integrated worktest program on all unemployment insurance claimants, linking claimant applicants to employers' job orders, referring qualified applicants to appropriate openings whenever possible. An automated worktest reporting system requires Job Service to report worktest failures, and provides said information to the unemployment insurance division within 24 hours.

**f. ELIGIBILITY REVIEW PROGRAM**

The Job Service and Unemployment Insurance staffs are cross trained and provide an integrated eligibility review program. The Job Service checks the appropriateness of DOT coding of the unemployment insurance claimant, the appropriateness of the type of work search, and reviews current lists of job openings to see if the claimant qualifies and makes an appropriate referral if possible. If no current openings are available, they will work with the One Stop partners to conduct job development activities for the claimant. Through services available in the one stop system, the claimant will be referred to appropriate job search workshops and supportive services as needed. The eligibility review program is being expanded to include intensive placement activities by core partners when indicated by assessment. The full



**LOUISIANA WORKS**  
DEPARTMENT OF LABOR

M.J. "Mike" Foster, Jr.  
Governor

Garey Forster  
Secretary

OFFICE OF WORKFORCE DEVELOPMENT

March 3, 2000

TO: All Office of Workforce Development Managers

FROM: Sujuan M. Williams Boutte', Assistant Secretary *SMW*

SUBJECT: Performance Indicators

This issue requires your immediate attention. Each of you need to check your files for the following documentation:

- Formulas or calculation methods for performance indicators and target numbers used relating to performance indicators.
- Work papers need to be easily accessible within a SHORT amount of time.
- Work papers should also be CLEAR enough so that someone else can follow the steps you took in calculating the numbers AND reproduce the results themselves.

This has been an issue in the recent performance audit and now seems to be an issue in the fiscal audit. This issue involves federal performance indicators as well as state performance indicators and state targets. Your immediate attention is appreciated. We will have a follow-up meeting to discuss your progress on this issue on March 17, 2000 at 1:30pm.

SMWB:jd

c: Garey Forster  
Cy Buchert

- If you are comparing Louisiana to a national average, median, or composite, be sure to provide any explanatory information necessary to explain the basis and result of the comparison.
- If you use and report data from some source outside your department/agency or program, be sure to cite the source fully. If your department/agency or program is a large one with many databases and data products, cite the particular in-house database or data product from which performance information is extracted.
- Be consistent in what you report and how your data are calculated and reported.
  - Once meaningful performance indicators have been developed, use them consistently. Unless there is a valid reason to change, measure the same things and use the same terms, definitions, measurement periods, and sources each year. If, however, indicators that have been used in the past are no longer meaningful, reliable, or appropriate, do not repeat them needlessly. Confusion can be avoided if you discuss significant changes in performance information with OPB analysts before you submit your operational plan and/or if you provide a brief explanation for modifying or dropping long-used indicators in the operational plan.
  - Programs that are reporting the same performance indicator must be uniform/consistent in how those indicators are named and defined and how values are calculated. (For example, each adult correctional institution in the Office of Corrections Services reports the same performance data in the same way at the same time.) This requirement crosses the same performance data in the same way at the same time.) This requirement crosses budget unit boundaries. (For example, there are various programs or activities in different budget units addressing aspects of the teen pregnancy issue. Workforce development activities occur in many different departments. Personnel, accounting, and procurement functions are present in most departments/agencies.) Programs that are providing the same type of service or addressing the same need or issue should work together to develop and report common indicators for common areas.
- To the maximum extent possible, use standard definitions and generally accepted or recognized calculation methods and formulas. For example: The definition and calculation method for incarceration rate are established by the U.S. Bureau of Justice Statistics; the calculation method for highway death rates is set by the National Highway Traffic Safety Administration. There are standard ways to calculate full-time equivalent employment, per capita expenditures and certain caseloads or workloads; there are also standard ways to adjust comparisons for population differences.

If there is no standard definition or generally accepted calculation methodology or formula, or if you have chosen not to use a standard definition or generally accepted calculation methodology or formula, then explain the basis on which you are defining terms and calculation rates. (Documentation of validity of performance indicators should have been prepared during strategic planning. If you are now using performance indicators that were not validated as part of your strategic plan, it is especially important that you give thought to this issue during operational planning.)

## SAMPLE INDICATOR DOCUMENTATION SHEET

Program: Job Training Partnership Act - Title II-A AdultDate: 10/21/98

1. Indicator name (What is the indicator?)  
Number Enrolled - Adult
2. Indicator type (Input? Output? Outcome? Efficiency? Quality?)  
Output
3. Rationale (What does it measure and why?)  
To reflect number of clients served
4. Data collection procedure source (Where/how do we get it?)  
Subrecipient staff thru automated Management Information System (MIS)
5. Frequency and timing of (a) collection, (b) reporting  
Collection: On-going  
Reporting: Monthly, cumulative and on-going
6. Calculation methodology  
General accounting procedures and State and Federal guidelines
7. Definitions of any unclear terms  
N/A
8. What aggregations or disaggregations of the indicator are needed?  
None
9. Who is responsible for data collection and quality?  
Subrecipient staff and State MIS staff
10. Limitations of the indicator (e.g., limited geographical coverage, precision limitations, timeliness, cost, etc.)  
None

## SAMPLE INDICATOR DOCUMENTATION SHEET

Program: Job Training Partnership Act - Title II-A-Adult

Date: 10/21/98

1. Indicator name (What is the indicator?)  
Follow-Up Employment Rate - Adult
2. Indicator type (Input? Output? Outcome? Efficiency? Quality?)  
Outcome
3. Rationale (What does it measure and why?)  
Percentage of terminees employed 13 weeks after termination from program.
4. Data collection procedure source (Where/how do we get it?)  
Subrecipient staff thru automated Management Information System (MIS)
5. Frequency and timing of (a) collection, (b) reporting  
Collection: On-going  
Reporting: Monthly, cumulative and on-going
6. Calculation methodology  
General accounting procedures and State and Federal guidelines
7. Definitions of any unclear terms  
N/A
8. What aggregations or disaggregations of the indicator are needed?  
None
9. Who is responsible for data collection and quality?  
Subrecipient staff and State MIS staff
10. Limitations of the indicator (e.g., limited geographical coverage, precision limitations, timeliness, cost, etc.)  
None

## SAMPLE INDICATOR DOCUMENTATION SHEET

Program: Job Training Partnership Act - Title II-A Adult

Date: 10/21/98

1. Indicator name (What is the indicator?)  
Follow-up Weekly Earnings - Adult
2. Indicator type (Input? Output? Outcome? Efficiency? Quality?)  
Quality
3. Rationale (What does it measure and why?)  
Average weekly earnings of terminees who were working 13 weeks after termination.
4. Data collection procedure source (Where/how do we get it?)  
Subrecipient staff thru automated Management Information System (MIS)
5. Frequency and timing of (a) collection, (b) reporting  
Collection: On-going  
Reporting: Monthly, cumulative and on-going
6. Calculation methodology  
General accounting procedures and State and Federal guidelines
7. Definitions of any unclear terms  
N/A
8. What aggregations or disaggregations of the indicator are needed?  
None
9. Who is responsible for data collection and quality?  
Subrecipient staff and State MIS staff
10. Limitations of the indicator (e.g., limited geographical coverage, precision limitations, timeliness, cost, etc.)  
None



## SAMPLE INDICATOR DOCUMENTATION SHEET

Program: Job Training Partnership Act - Title II-C-Youth

Date: 10/21/98

1. Indicator name (What is the indicator?)  
Number Enrolled - Youth
2. Indicator type (Input? Output? Outcome? Efficiency? Quality?)  
Output
3. Rationale (What does it measure and why?)  
Reflects number of clients served.
4. Data collection procedure source (Where/how do we get it?)  
Subrecipient staff thru automated Management Information System (MIS)
5. Frequency and timing of (a) collection, (b) reporting  
Collection: On-going  
Reporting: Monthly, cumulative and on-going
6. Calculation methodology  
General accounting procedures and State and Federal guidelines
7. Definitions of any unclear terms  
N/A
8. What aggregations or disaggregations of the indicator are needed?  
None
9. Who is responsible for data collection and quality?  
Subrecipient staff and State MIS staff
10. Limitations of the indicator (e.g., limited geographical coverage, precision limitations, timeliness, cost, etc.)  
None

## SAMPLE INDICATOR DOCUMENTATION SHEET

Program: Job Training Partnership Act - Title II-C-Youth

Date: 10/21/98

1. Indicator name (What is the indicator?)  
Entered Employment Rate
2. Indicator type (Input? Output? Outcome? Efficiency? Quality?)  
Outcome
3. Rationale (What does it measure and why?)  
Percentage of terminees employed at termination.
4. Data collection procedure source (Where/how do we get it?)  
Subrecipient staff thru automated Management Information System (MIS)
5. Frequency and timing of (a) collection, (b) reporting  
Collection: On-going  
Reporting: Monthly, cumulative and on-going
6. Calculation methodology  
General accounting procedures and State and Federal guidelines
7. Definitions of any unclear terms  
N/A
8. What aggregations or disaggregations of the indicator are needed?  
None
9. Who is responsible for data collection and quality?  
Subrecipient staff and State MIS staff
10. Limitations of the indicator (e.g., limited geographical coverage, precision limitations, timeliness, cost, etc.)  
None

## SAMPLE INDICATOR DOCUMENTATION SHEET

Program: Job Training Partnership Act - Title II-C-Youth

Date: 10/21/98

1. Indicator name (What is the indicator?)  
Positive Termination Rate -Youth
2. Indicator type (Input? Output? Outcome? Efficiency? Quality?)  
Outcome
3. Rationale (What does it measure and why?)  
Percentage of terminees who entered employment or attained other positive outcome.
4. Data collection procedure source (Where/how do we get it?)  
Subrecipient staff thru automated Management Information System (MIS)
5. Frequency and timing of (a) collection, (b) reporting  
Collection: On-going  
Reporting: Monthly, cumulative and on-going
6. Calculation methodology  
General accounting procedures and State and Federal guidelines
7. Definitions of any unclear terms  
N/A
8. What aggregations or disaggregations of the indicator are needed?  
None
9. Who is responsible for data collection and quality?  
Subrecipient staff and State MIS staff
10. Limitations of the indicator (e.g., limited geographical coverage, precision limitations, timeliness, cost, etc.)  
None

## SAMPLE INDICATOR DOCUMENTATION SHEET

Program: Job Training Partnership Act - Title II-B-Summer Youth

Date: 10/21/98

1. Indicator name (What is the indicator?)  
Number Enrolled - Summer Youth.
2. Indicator type (Input? Output? Outcome? Efficiency? Quality?)  
Output
3. Rationale (What does it measure and why?)  
Number of participants served.
4. Data collection procedure source (Where/how do we get it?)  
Subrecipient staff thru automated Management Information System (MIS)
5. Frequency and timing of (a) collection, (b) reporting  
Collection: On-going  
Reporting: Monthly, cumulative and on-going
6. Calculation methodology  
General accounting procedures and State and Federal guidelines
7. Definitions of any unclear terms  
N/A
8. What aggregations or disaggregations of the indicator are needed?  
None
9. Who is responsible for data collection and quality?  
Subrecipient staff and State MIS staff
10. Limitations of the indicator (e.g., limited geographical coverage, precision limitations, timeliness, cost, etc.)  
None

## SAMPLE INDICATOR DOCUMENTATION SHEET

Program: Job Training Partnership Act - Title III-Dislocated Worker

Date: 10/21/98

1. Indicator name (What is the indicator?)  
Number Enrolled
2. Indicator type (Input? Output? Outcome? Efficiency? Quality?)  
Output
3. Rationale (What does it measure and why?)  
Number of participants served.
4. Data collection procedure source (Where/how do we get it?)  
Subrecipient staff thru automated Management Information System (MIS)
5. Frequency and timing of (a) collection, (b) reporting  
Collection: On-going  
Reporting: Monthly, cumulative and on-going
6. Calculation methodology  
General accounting procedures and State and Federal guidelines
7. Definitions of any unclear terms  
N/A
8. What aggregations or disaggregations of the indicator are needed?  
None
9. Who is responsible for data collection and quality?  
Subrecipient staff and State MIS staff
10. Limitations of the indicator (e.g., limited geographical coverage, precision limitations, timeliness, cost, etc.)  
None

## SAMPLE INDICATOR DOCUMENTATION SHEET

Program: Job Training Partnership Act - Title III-Dislocated Worker

Date: 10/21/98

1. Indicator name (What is the indicator?)  
Follow-up Employment Rate
2. Indicator type (Input? Output? Outcome? Efficiency? Quality?)  
Outcome
3. Rationale (What does it measure and why?)  
Percentage of terminees employed 13 weeks after termination.
4. Data collection procedure source (Where/how do we get it?)  
Subrecipient staff thru automated Management Information System (MIS)
5. Frequency and timing of (a) collection, (b) reporting  
Collection: On-going  
Reporting: Monthly, cumulative and on-going
6. Calculation methodology  
General accounting procedures and State and Federal guidelines
7. Definitions of any unclear terms  
N/A
8. What aggregations or disaggregations of the indicator are needed?  
None
9. Who is responsible for data collection and quality?  
Subrecipient staff and State MIS staff
10. Limitations of the indicator (e.g., limited geographical coverage, precision limitations, timeliness, cost, etc.)  
None

SAMPLE INDICATOR DOCUMENTATION SHEET

Program: Job Training Partnership Act - Title III Dislocated Worker

Date: 10/21/98

1. Indicator name (What is the indicator?)  
Average Wage Replacement Rate at Follow-Up
2. Indicator type (Input? Output? Outcome? Efficiency? Quality?)  
Quality
3. Rationale (What does it measure and why?)  
Average wage at follow-up (13<sup>th</sup> wk) as a percent of average wage at job of dislocation.
4. Data collection procedure source (Where/how do we get it?)  
Subrecipient staff thru automated Management Information System (MIS)
5. Frequency and timing of (a) collection, (b) reporting  
Collection: On-going  
Reporting: Monthly, cumulative and on-going
6. Calculation methodology  
General accounting procedures and State and Federal guidelines
7. Definitions of any unclear terms  
N/A
8. What aggregations or disaggregations of the indicator are needed?  
None
9. Who is responsible for data collection and quality?  
Subrecipient staff and State MIS staff
10. Limitations of the indicator (e.g., limited geographical coverage, precision limitations, timeliness, cost, etc.)  
None



# LOUISIANA WORKS

DEPARTMENT OF LABOR

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## VISION

*The Department of Labor will be recognized as the labor exchange for the state of Louisiana by serving as the link between employers, job seekers, and training entities to provide the skills training, employment services, and re-employment resources necessary to increase employment in Louisiana.*

## MISSION

*The Department of Labor is a state agency utilizing state, federal, and private resources to provide training, employment, assistance, and regulatory services necessary to increase employment and promote expanded employment opportunities in the state of Louisiana in a climate favorable to business, workers, and job seekers.*

## PHILOSOPHY

*The Department of Labor is an aggressive advocate for a trained, viable workforce and is committed to a strategy of career ladder employment for Louisiana citizens. DOL is dedicated to working closely with all of its customers – employers, workers, and job seekers – to determine how best to meet their employment and training needs in fulfillment of its mission. Decisions will be based upon comprehensive information and applied consistently in accordance with the law.*



JAN-25-2000 13:49

LA DEPT OF LABOR

504 342 9192 P.01/03

**LOUISIANA WORKS**  
DEPARTMENT OF LABORM.J. "Mike" Foster, Jr.  
GovernorGarey Forster  
Secretary**P R E S S R E L E A S E**Date: January 25, 2000  
Release: ImmediatelyContact: Patty Lopez  
(225) 342-3147**MSA's END 1999 WITH RECORD LOW RATES:  
December MSA and Parish Labor Statistics**

BATON ROUGE – All eight of Louisiana's metropolitan statistical areas (MSA's) and 31 individual parishes either set or tied records in December for the lowest unemployment rates of the decade, announced Secretary of Labor Garey Forster. In addition, 55 parishes set or tied record lows for the month of December in the 1990s.

"December 1999 was the first time in many years, and possibly ever, that all eight of our MSA's had rates below the national average," said Secretary Garey Forster. "Add to that wonderful accomplishment the fact that 62 of Louisiana's 64 parishes had lower unemployment rates in December 1999 than at the same time the year before, and it becomes apparent that the state's labor force, through the employers in our state, is poised to drive our economy to new heights in the dawning century."

Unemployment rates for the metropolitan statistical areas (MSA's) were as follows: Alexandria, 3.6 percent for December, down from 4.1 percent in November; Baton Rouge, 3.0, down from 3.5; Houma, 2.7, down from 3.2; Lafayette, 3.9, down from 4.7; Lake Charles, 3.5, down from 4.3; Monroe, 2.9, down from 3.4; New Orleans, 3.3, down from 4.0; and Shreveport-Bossier City, 3.6, down from 4.2.

Lincoln Parish once again led the state in lowest unemployment with a preliminary December rate of 2.1 percent. West Carroll Parish had the highest unemployment rate with 14.7 percent, down from 16.5 for December 1998 and one of only two parishes with double-digit unemployment in December 1999 compared to eleven in December 1998.

"Another piece of good news for Louisiana has been the gradual rebound of our oil and gas industry," said Secretary Garey Forster. "Mining employment increased slightly for the fourth month in a row, a good sign for the industry and a good sign for our state's economy."

An analysis of nonagricultural employment shows that 53,300 were employed in mining in December compared to 53,100 in November; construction stood at 129,800, down from 132,900; manufacturing, 189,600, down from 190,000; transportation, communications, and public utilities, 115,800, down from 116,200; wholesale and retail trade, 448,300, up from 447,400; finance, insurance, and real estate, 87,500, up from 87,300; services, 529,600, up from 529,500; and government, 372,600, up from 371,400 in November.

Research and Statistics Division, Post Office Box 94094, Baton Rouge, LA 70804-9094

Phone (225) 342-3141 • Fax (225) 342-9192 • Toll Free (888) 302-7662 • [www.LAWORKS.net](http://www.LAWORKS.net)

Equal Opportunity Employment Program-Auxiliary aids and services are available upon request to individuals with disabilities. 1-800-259-5154 (TDD)

# LOUISIANA & MSA CIVILIAN LABOR FORCE SUMMARY

	PRELIMINARY DECEMBER 1999				REVISED NOVEMBER 1999				REVISED DECEMBER 1998			
	LABOR FORCE	EMPLOY.	UN-EMP.	EMP. RATE	LABOR FORCE	EMPLOY.	UN-EMP.	EMP. RATE	LABOR FORCE	EMPLOY.	UN-EMP.	EMP. RATE
LOUISIANA (SEA. ADJ.)	2,065,100	1,978,800	88,300	4.2	2,085,600	1,983,600	102,000	4.9	2,061,300	1,952,400	108,900	5.3
LOUISIANA (UNADJUSTED)	2,042,600	1,965,500	77,100	3.8	2,081,400	1,980,200	81,200	4.4	2,038,900	1,938,300	100,600	4.9
DATA BELOW NOT SEASONALLY ADJUSTED - CIVILIAN LABOR FORCE CAN BE DERIVED BY ADDING EMPLOYED AND UNEMPLOYED. LABOR FORCE STATISTICS WERE DEVELOPED IN ACCORDANCE WITH BUREAU OF LABOR STATISTICS METHODOLOGY AND MAY BE USED FOR ALLOCATION OF FEDERAL FUNDS. RATES ARE COMPUTED FROM UNROUNDING DATA.												
METROPOLITAN STATISTICAL AREAS (MSA) & THEIR PARISH COMPONENTS	EMPLOYED				UNEMPLOYED				UNEMPLOYMENT RATE			
	PREL DEC '98	REV NOV '99	REV DEC '98	EMP. RATE	PREL DEC '98	REV NOV '99	REV DEC '98	EMP. RATE	PREL DEC '98	REV NOV '99	REV DEC '98	EMP. RATE
ALEXANDRIA (RAPIDES)	58,000	58,700	56,600		2,200	2,500	2,700		3.6	4.1	4.5	
BATON ROUGE	299,700	303,200	287,400		9,300	10,900	11,200		3.0	3.5	3.8	
ASCENSION	33,800	34,200	32,500		1,400	1,500	1,500		3.8	4.3	4.3	
EAST BATON ROUGE	214,000	216,600	205,300		5,800	7,000	7,200		2.7	3.1	3.4	
LIVINGSTON	41,700	42,200	40,000		1,900	2,000	2,200		4.3	4.5	5.1	
WEST BATON ROUGE	10,100	10,200	9,700		300	400	400		2.7	3.3	4.2	
HOUMA	91,200	92,600	91,500		2,500	3,100	3,400		2.7	3.2	3.6	
LAFOURCHE	42,600	43,300	42,800		1,100	1,400	1,500		2.6	3.1	3.3	
TERREBONNE	48,600	49,400	48,800		1,400	1,700	2,000		2.7	3.3	3.9	
LAFAYETTE	171,800	173,700	170,800		7,000	8,800	8,500		3.9	4.7	4.7	
ACADIA	23,000	23,300	22,800		1,400	1,700	1,500		5.8	6.8	6.2	
LAFAYETTE	96,600	97,800	96,200		2,800	3,600	3,800		2.8	3.8	3.8	
ST LANDRY	31,100	31,500	31,000		1,800	2,100	2,000		5.6	6.2	6.1	
ST MARTIN	20,800	21,100	20,700		1,000	1,200	1,200		4.6	5.4	5.3	
LAKE CHARLES (CALCASIEU)	87,800	89,100	85,700		3,200	4,000	4,500		3.5	4.3	5.0	
MONROE (OUACHITA)	68,800	69,700	68,800		2,100	2,500	3,100		2.9	3.4	4.4	
NEW ORLEANS	588,000	601,100	587,100		20,800	24,900	24,300		3.3	4.0	4.0	
JEFFERSON	228,500	230,500	225,100		6,700	8,200	7,800		2.9	3.4	3.3	
ORLEANS	192,100	193,800	189,300		7,400	8,300	9,200		3.7	4.6	4.6	
PLAQUEMINES	10,200	10,300	10,000		500	700	500		5.1	6.4	4.3	
ST BERNARD	30,300	30,600	29,900		1,200	1,400	1,400		3.9	4.5	4.4	
ST CHARLES	21,900	22,100	21,600		900	1,000	1,000		3.9	4.2	4.4	
ST JAMES	8,400	8,400	8,200		700	600	700		7.7	7.1	8.1	
ST JOHN	18,300	18,500	18,000		800	1,000	1,200		4.9	5.4	6.1	
ST TAMMANY	86,300	87,000	85,000		2,200	2,700	2,600		2.5	3.0	3.0	
SHREVEPORT - BOSSIER CITY	178,200	180,200	175,900		6,800	7,900	8,800		3.6	4.2	4.8	
BOSSIER	44,900	45,400	44,300		1,700	1,900	2,100		3.6	4.0	4.4	
CAODO	115,200	116,400	113,700		4,000	4,900	5,300		3.4	4.1	4.4	
WEBSTER	18,200	18,400	17,900		900	1,000	1,500		4.7	5.3	7.8	

**CIVILIAN LABOR FORCE, OTHER AREAS**

PARISH	EMPLOYED			UNEMPLOYED			UNEMP. RATE		
	PREL	REV	REV	PREL	REV	REV	PREL	REV	REV
	DEC	NOV	DEC	DEC	NOV	DEC	DEC	NOV	DEC
	'99	'99	'98	'99	'99	'98	'99	'99	'98
ALLEN	9,380	9,460	8,510	420	460	730	4.2	4.7	7.9
ASSUMPTION	8,560	8,920	9,810	440	540	610	4.9	5.7	5.8
AVOUELLES	14,910	15,430	14,810	780	750	1,160	5.0	4.7	7.4
BEAUREGARD	11,680	11,790	11,230	580	710	850	4.7	5.7	7.1
BIENVILLE	5,350	5,480	5,220	300	340	450	5.3	5.9	8.0
CALDWELL	3,750	3,790	3,840	260	310	560	6.6	7.5	12.6
CAMERON	3,790	3,990	4,210	180	210	180	4.5	4.9	4.2
CATAHOULA	4,320	4,520	4,250	370	370	570	7.8	7.6	11.8
CLAIBORNE	5,540	5,610	5,440	340	400	510	5.7	6.6	8.6
CONCORDIA	7,300	7,490	7,150	700	820	1,300	8.8	9.8	15.4
DESOTO	10,540	10,690	9,740	550	670	680	5.0	5.9	6.5
EAST CARROLL	2,680	2,810	2,750	340	260	460	11.2	8.5	14.2
EAST FELICIANA	7,430	7,480	7,000	300	340	410	3.9	4.3	5.5
EVANGELINE	11,290	11,550	11,500	470	590	640	4.0	4.9	5.3
FRANKLIN	8,930	8,990	8,700	630	630	1,040	6.6	6.6	10.7
GRANT	6,580	6,460	5,930	340	400	500	4.8	5.9	7.8
IBERIA	30,510	31,060	32,160	1,800	2,180	2,780	5.6	6.6	7.9
IBERVILLE	12,260	12,190	11,670	630	720	840	4.9	5.6	6.7
JACKSON	5,810	5,860	5,610	260	290	370	4.2	4.7	6.3
JEFFERSON DAVIS	10,660	10,860	11,390	640	810	800	5.6	6.9	6.6
LASALLE	4,790	5,220	4,610	220	260	650	4.4	4.8	12.4
LINCOLN	19,520	19,610	18,200	430	490	420	2.1	2.4	2.3
MADISON	4,980	5,140	4,760	380	380	610	7.1	6.9	11.4
MOREHOUSE	10,730	11,000	11,070	1,040	1,160	1,640	8.8	9.5	12.9
NATCHITOCHE	17,040	17,100	16,810	630	770	970	3.6	4.3	5.4
POINTE COUPEE	9,330	9,480	9,150	490	520	540	5.0	5.2	5.5
RED RIVER	2,960	3,070	3,030	180	190	340	5.8	5.9	10.0
RICHLAND	7,240	7,580	7,160	690	670	800	8.7	8.1	10.0
SABINE	7,990	8,180	8,360	330	410	530	4.0	4.8	6.0
ST HELENA	3,860	3,880	3,850	150	160	200	3.8	4.0	4.9
ST MARY	22,160	23,110	25,400	1,890	2,290	2,630	7.9	8.0	9.4
TANGIPAHOA	40,690	40,990	40,580	2,330	2,580	2,990	5.4	5.9	6.9
TENSAS	2,730	2,940	2,870	200	220	250	6.7	6.9	8.0
UNION	11,730	11,640	11,600	450	510	550	3.7	4.2	4.5
VERMILION	21,520	21,940	21,930	1,190	1,440	1,570	5.2	6.2	6.7
VERNON	16,320	16,420	16,960	840	790	1,210	4.9	4.6	6.6
WASHINGTON	15,360	15,580	15,420	740	870	1,040	4.6	5.3	6.3
WEST CARROLL	4,480	4,920	4,700	780	780	930	14.7	13.6	16.5
WEST FELICIANA	3,540	3,430	3,400	140	140	180	3.7	4.0	5.0
WINN	6,060	6,200	6,180	280	370	560	4.4	5.6	8.2

LABOR AREA UNEMPLOYMENT STATISTICS ARE DEVELOPED IN ACCORDANCE WITH BUREAU OF LABOR STATISTICS METHODOLOGY

AND MAY BE USED FOR ALLOCATION OF FEDERAL FUNDS.

ABOVE DATA ROUNDED TO NEAREST 10. RATES ARE COMPUTED FROM UNROUNDED DATA.

CIVILIAN LABOR FORCE CAN BE DERIVED BY ADDING EMPLOYED AND UNEMPLOYED.

## Appendix F

### Responses of the Three Service Delivery Areas Covered in This Audit



**Office of the Mayor-President**  
Division of Human Development and Services  
City of Baton Rouge  
Parish of East Baton Rouge

Office of Employment and Training  
JTPA  
4523 Plank Road  
Baton Rouge, Louisiana 70805

Sidney M. Longwell  
Director

Alice M. Toombs  
Assistant Director

(504) 358-4579  
Fax (504) 357-9675

March 9, 2000

Dr. Daniel G. Kyle, PhD, CPA, CFE  
Legislative Auditor  
1600 North Third Street  
Baton Rouge, Louisiana 70804-9437

RE: Louisiana Department of Labor Performance Audit

Dear Dr. Kyle:

Over the past year there has been a team of auditors from your office reviewing documents and procedures of this office in conjunction with a performance audit of the Louisiana Department of Labor. Ms. Shirley Young was the contact person for the team. I must tell you that they were professional and courteous at all times and did a thorough job.

They had several findings related to the office that I would like to address. The first related to contracts. The following items were left out of some of the contracts and were in some. I'll address them all at the same time.

- Finding A:**
- 1) ACCESS TO PREMISE.
  - 2) PROVISIONS DESCRIBING WHETHER AND HOW THE CONTRACT CAN BE CHANGED AND NAMING THE PERSON AND JOB TITLE WHO CAN MAKE CHANGES.
  - 3) TERMINATION FOR CAUSE.
  - 4) DESCRIPTION FOR CONTRACT DISPUTE HANDLING.
  - 5) SANCTIONS FOR NON-PERFORMANCE.
  - 6) MAXIMUM ELAPSED TIME BETWEEN INVOICING AND PAYMENT.
  - 7) DESCRIPTION OF CLOSEOUT PROCEDURES.

**Response A:** This SDA will review all contracts to see that provisions required by Federal Law, U.S. Department of Labor and Louisiana Department of Labor will be included in the contract. The State Department of Labor has stated that they will be providing us with technical assistance and training to address contract contents in the near future. We will work closely with them and our parish attorney's office to refine the wording of our contracts to meet the requirements.

- Finding B:**
- 1) CONTRACT DELIVERABLES WERE GENERALLY EASY TO UNDERSTAND, SOME WERE HARD TO IDENTIFY.
  - 2) SEVERAL CONTACTS WERE LENGTHY AND COMPLEX MAKING IT DIFFICULT TO IDENTIFY.
  - 3) DELIVERABLE-PERFORMANCE RELATED.

**Response B:** The State Department of Labor will provide technical assistance and training to insure that measurable performances for each deliverable are identified with clarity and specificity. We will work closely with them..

- Finding C:**
- 1) MONITOR DID NOT VERIFY THAT CONTRACTORS PROVIDED SOME SERVICES PROMISED IN CONTRACT.

**Response C:** This SDA is in the process of developing a monitoring instrument that will address verifying all contracts deliverables, sources of information and maintain same in a central file. Louisiana Department of Labor will furnish technical assistance and training on monitoring and we will work closely with them.

- Finding D:**
- 1) SDA COULD NOT LOCATE SOME REPORTS; MONITOR DID NOT SIGN AND DATE ALL WORK PAPERS.

**Response D:** A standard procedure will be put in place for ease of access to files. Effective November 1999, a policy was implemented requiring that the monitor sign and date all work papers.

- Finding E:**
- 1) MONITORS DID NOT DEVELOP MONITORING

PLANS FOR INDIVIDUAL CONTRACTS.

**Response E:** This SDA is in the process of developing a comprehensive monitoring plan. Should be completed by March 31, 2000.

**Finding F:** 1) MANAGEMENT AT ONE SDA DID NOT SIGN MONITORING REPORTS.

**Response F:** Effective November 1999, a policy was put into place for the monitor to give a weekly monitoring activity report to management. Any completed monitoring reports are to be attached. Management reviews and any findings are addressed immediately. Management is to sign off on all reports.

All EO and programmatic monitoring reports will be forwarded to the Workforce Investment Board's Evaluation and Review Committee for their review.

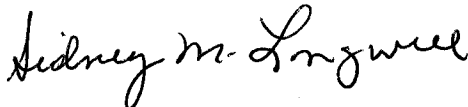
**Finding G:** 1) USE OF OUT DATED METHOD TO CALCULATE LENGTH OF TIME FOR TRAINING UNDER ON-THE-JOB CONTRACTS.

**Response G:** This SDA will work with the Louisiana Department of Labor to implement the proper procedure to calculate hours for on-the-job training.

Hopefully these responses are sufficient. However, should you need additional information please contact me.

We appreciate the opportunity to work with you. We feel that this will improve the quality of our office once everything is in place.

Very Truly Yours,



Sidney M. Longwell  
Office of Employment and Training Director

CC: Ms. Sujuan M. Williams Boutte', Deputy Secretary, Department of Labor

Page 4

**Mayor Tom Ed McHugh**

**Vic Howell, Chairman, Workforce Investment Board**

**Mr. Larry St. Amant, Assistant Director, Division of Human Development  
and Services**

**Alice Toombs, Assistant Director, Office of Employment and Training**

**Sandra Wilkinson, Monitor**





... a workforce partner

RECEIVED  
LEGISLATIVE AUDITOR  
00 MAR -3 AM 9:17

March 1, 2000

Dr. Daniel Kyle, CPA, CFE  
Legislative Auditor  
State of Louisiana  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle,

The Orleans Private Industry Council is in receipt of the preliminary Draft of the Performance Audit of the Louisiana Department of Labor Job Training Program.

OPIC concurs with those findings applicable to SDA #12 and will follow the recommendations consistent with those findings. I understand that the final version of this audit may vary from this draft. Additional comments, if necessary will be made at that time.

This document has been shared with OPIC's Budget and Finance Committee and the office of Federal and State Programs for the City of New Orleans.

I wish to add that the professionalism of your staff under the leadership of Ms. Shirley Young was deeply appreciated.

Sincerely,

A handwritten signature in black ink that reads "Louis B. Saulny, Jr." The signature is written in a cursive style with a large, stylized 'J' at the end.

Louis B. Saulny, Jr.  
Interim President/CEO

**ORLEANS PRIVATE INDUSTRY COUNCIL, INC.**

7166 Crowder Blvd. • New Orleans, LA 70127 • TEL (504) 242-6742 • FAX (504) 242-6775 • email: [opicadmin@bellsouth.net](mailto:opicadmin@bellsouth.net)

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**THE  
COORDINATING & DEVELOPMENT CORPORATION**

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(318) 632-2022 • FAX: (318) 632-2099 • EMail: cdc@prysm.net

M. D. LeComte, CED, ED  
President & CEO

March 3, 2000

RECEIVED  
LEGISLATIVE AUDITOR  
00 MAR - 8 AM 9:06

Dr. Daniel G. Kyle  
Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

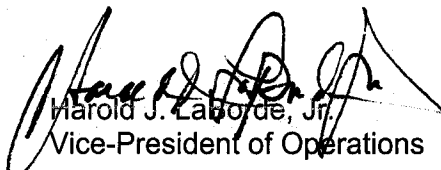
This letter is in response to my telephone conversation with Ms. Shirley Young concerning the draft report of the monitoring review of our JTPA Program recently conducted by your staff.

I basically concur with the report and since the report concentrated on our monitoring of sub-contractors, it reveals some weaknesses in our monitoring instruments, so it will be helpful as we transition from JTPA to WIA and develop our monitoring system.

Also, as I discussed with Ms. Young, if The Louisiana Department of Labor would give Workforce Boards "boilerplate" classroom training and on-the-job training contracts to use that contain all requirements of the Workforce Investment Act (WIA), it would standardize contracting statewide and insure compliance with the Act.

Please let me know if you need any additional information to complete your review of our JTPA Programs.

Sincerely,

  
Harold J. Laboche, Jr.  
Vice-President of Operations

HJL:sb