

BRIEFLY...

Highlights of Report Number: 18-09-002-01-001, Recovery Act: Performance Reporting Creates Challenges for the Department Of Labor, to the Senior Accountable Official for the American Recovery and Reinvestment Act of 2009.

WHY READ THE REPORT

The Recovery Act, signed into law on February 17, 2009, provided an estimated \$45 billion to the Department to increase employment and training opportunities, expand unemployment benefits, enforce worker protection laws, coordinate activities related to the infrastructure and unemployment insurance investments, and construct, rehabilitate, acquire, and operate Job Corps Centers.

The stated purposes of the Recovery Act are to 1) preserve and create jobs and promote economic recovery; 2) assist those most impacted by the recession; 3) provide investments needed to increase economic efficiency by spurring technological advances in science and health; 4) invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits; and 5) stabilize state and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

The Recovery Act will require agencies to implement an unprecedented level of transparency and accountability to ensure the public can see where and how their tax dollars are being spent.

WHY OIG CONDUCTED THE AUDIT

The audit was to determine whether the Department implemented, or had plans to implement, Office of Management and Budget (OMB) performance reporting requirements under the Recovery Act.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to: <http://www.oig.dol.gov/public/reports/oa/2009/18-09-002-01-001.pdf>.

September 2009

RECOVERY ACT: PERFORMANCE REPORTING CREATES CHALLENGES FOR THE DEPARTMENT OF LABOR

WHAT OIG FOUND

Overall, the Department has implemented three of the five performance reporting areas required by OMB; however, some challenges remain. We identified three actions the Department needs to take to increase transparency and accountability: 1) ETA should report whether participants in the WIA Adult and Dislocated Worker programs were connected to “jobs in demand;” 2) the Department needs to develop and implement controls relating to recipient reporting; and 3) the Department needs to update its Program-specific Recovery Act Plans to fully reflect program-specific risks. These issues occurred because ETA limited Recovery Act performance reporting for the WIA programs to the existing common measures for job training; the Department had been waiting for more instructions from OMB concerning recipient data reporting; the Department prioritized its efforts to meet OMB deadlines; and OMB did not require submission of the Risk Management Plans or provide a deadline for their completion.

As a result, the Department had not planned to report if recipients are using Recovery Act funds as Congress intended; unreliable recipient data could be published that may mislead or confuse the public; and agencies may have developed ineffective performance measures that increase the Department’s risk of not meeting the accountability and transparency objectives of the Recovery Act.

WHAT OIG RECOMMENDED

We made four recommendations to the Senior Accountable Official for the American Recovery and Reinvestment Act to improve performance reporting.

The Senior Accountable Official for the American Recovery and Reinvestment Act agreed with the findings and has taken actions to address the findings and recommendations. However, it is not clear how the Department plans to report what industry-specific training and related job placements WIA Adult and Dislocated Worker program participants received.