

JVSG Audit SWA TAG

State Workforce Agency Technical Assistance Guide for the Jobs for Veterans State Grants Program Audit

VPL 02-21
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Attachment 1

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I. Purpose

To provide guidance to Veterans' Employment and Training Service (VETS) and State Workforce Agency (SWA) staff regarding the Jobs for Veterans State Grants (JVSG) Triennial Audit Program audit process. The Audit process measures compliance with, and ensures adherence to, the roles and responsibilities of the Disabled Veterans' Outreach Program (DVOP) specialist, Local Veterans' Employment Representative (LVER) staff, DVOP/LVER Consolidated Positions (CPs), and Half-Time JVSG positions, as outlined in applicable statute and policy. This guidance also provides the tool used by VETS to conduct the Audit.

II. Overview of the Audit Process

VETS will audit the JVSG program at the SWA level and a sample of American Job Centers (AJCs) where DVOP specialists or LVER staff are assigned. VETS staff conducts JVSG staff Roles and Responsibilities Audits on a triennial audit cycle. As VETS staff work to develop audit schedules, they will communicate with U.S. Department of Labor (USDOL), Employment and Training Administration's (ETA) Federal Project Officers (FPOs) in an attempt to minimize the impact on states.

The audit cycle incorporates Technical Assistance (TA) at the SWA level in the years between audits to identify, prevent, and remediate deficiencies. Additionally, incorporating TA as an integral part of the audit process will help detect and prevent potential compliance issues early and remediate those identified during the previous audit. A triennial cycle allows states sufficient time to resolve Findings before the next audit begins and VETS staff sufficient time to provide TA between audit years.

The JVSG Audit Tool is designed to assess whether the DVOP specialists, CPs, and LVER staff are adhering to VETS guidance while fulfilling their statutorily defined duties as prescribed in 38 U.S.C. §4103A and §4104. This document provides the information and expectations on how audits are to be conducted. The JVSG Audit Tool provides the specific details on the areas that need to be audited. A references page is included in the JVSG Audit Tool and most references are hyperlinked for convenience.

The audit process will take place in four distinct phases (please see the JVSG Audit Timeline in [Appendix A](#)):

A. Preparatory Phase

The Preparatory Phase begins the audit process with issuance of the Notice of Intent to Audit Letter to the SWA, including a request for participant files, plans, and other documents used to administer the state's JVSG program. The state's Director for

Veterans' Employment and Training (DVET) or designee will work with the SWA to gain access to participant files through the state information management system and/or hard copy participant files.

The DVET will review participant files and share the results from the participant file and documentation reviews with the SWA. The DVET will develop an Audit Plan after consultation with the SWA. The plan shall identify which AJC(s) will be audited.

B. Audit Phase

The Audit Phase begins with the DVET issuing an Audit Notification Letter to the SWA. The letter will include:

- A list of AJC locations identified for onsite, virtual, and/or telephonic audits;
- The proposed audit timeframe;
- A request for local level documentation due within 15 days from issuance of the Audit Notification Letter;
- A request for point of contact information for each selected site; and
- The proposed dates for the SWA Entrance and Exit Briefings and dates of onsite, virtual, and/or telephonic reviews.

The Audit Phase includes the Entrance Briefing which serves several purposes:

- Provides state staff with a synopsis of the audit;
- Provides an opportunity to answer questions and discuss logistical needs, including required workspace for the onsite portion of the audit;
- Answers questions pertaining to the audit;
- Finalizes the schedule of visits and interviews with relevant staff; and
- Addresses information or documentation requested in the Audit Letter that was not received.

Entrance Briefing attendees should include the appropriate state officials responsible for administering the JVSG program. AJC management staff are welcome but not required to attend the Entrance Briefing.

VETS staff who conduct or assist with the audit will use the Audit Tool to conduct the Onsite Reviews. Review options include observation, interviewing, documentation review, and testing (i.e., mystery shopping or secret shopper) for appropriate triage and referral of veteran jobseekers.

VETS staff will determine:

- The level of compliance of the SWA and local AJC regarding the proper utilization of the JVSG-funded staff, as defined by their statutory roles and responsibilities;
- If the JVSG-funded staff is providing services to nonveterans;
- If DVOPs are serving only eligible veterans and eligible persons with an identified Significant Barrier to Employment (SBE) as defined in [Veterans' Program Letters \(VPLs\) 03-14](#) and [03-19](#) (or the most current guidance on this subject);
- If services are provided through case management by reviewing active participant files;
- Promising Practices;
- Opportunity for TA; and
- Deficient areas.

The Audit Phase ends with an Exit Briefing that serves the following purposes:

- Provides the state with Preliminary Audit results, and
- Informs the state of next steps and when to expect the audit report.

The Exit Briefing is performed within 45 calendar days of the SWA Entrance Briefing.

C. Report Phase

The Report Phase begins with the issuance of a Preliminary Audit Report to the SWA within 15 calendar days of the Exit Briefing. The Preliminary Audit Report consists of Promising Practices, Findings, and Areas of Concern. The SWA will have the opportunity to correct any Findings and address Areas of Concern prior to the issuance of the Final Audit Report. Please see [Appendix B](#) for definitions of a Finding, Area of Concern, and Promising Practice. The SWA provides a response within 15 calendar days that outlines specific corrections made to the Findings and addresses Areas of Concern in an effort to have them adjudicated before the Final Audit Report is issued.

The Report Phase will end with the issuance of the Final Audit Report. The report will be issued no later than 60 calendar days after the Exit Briefing. The SWA will provide a response addressing any Findings and/or Areas of Concern within 30 calendar days from the issuance of the Final Audit Report.

If there are no Findings, the Audit will be closed out. Unresolved Findings will require a Corrective Action Plan (CAP). The requirement to develop a CAP will be included in the Final Audit Report. The SWA will develop the CAP and submit it to the DVET within 30 days after the issuance of the Final Audit Report. If the CAP is acceptable, the DVET will provide a CAP Approval Letter to the SWA. If the CAP is unacceptable, the DVET will provide TA to the SWA until an acceptable CAP is formally approved.

D. Follow-up and Closeout Phase

The Follow-up Phase allows VETS to monitor the state's progress towards resolving audit Findings, provide TA, and assess progress of a CAP (if implemented).

All audit Findings and Areas of Concern must be addressed by the SWA in its official response to VETS which is due 30 calendar days after the issuance of the Final Audit Report.

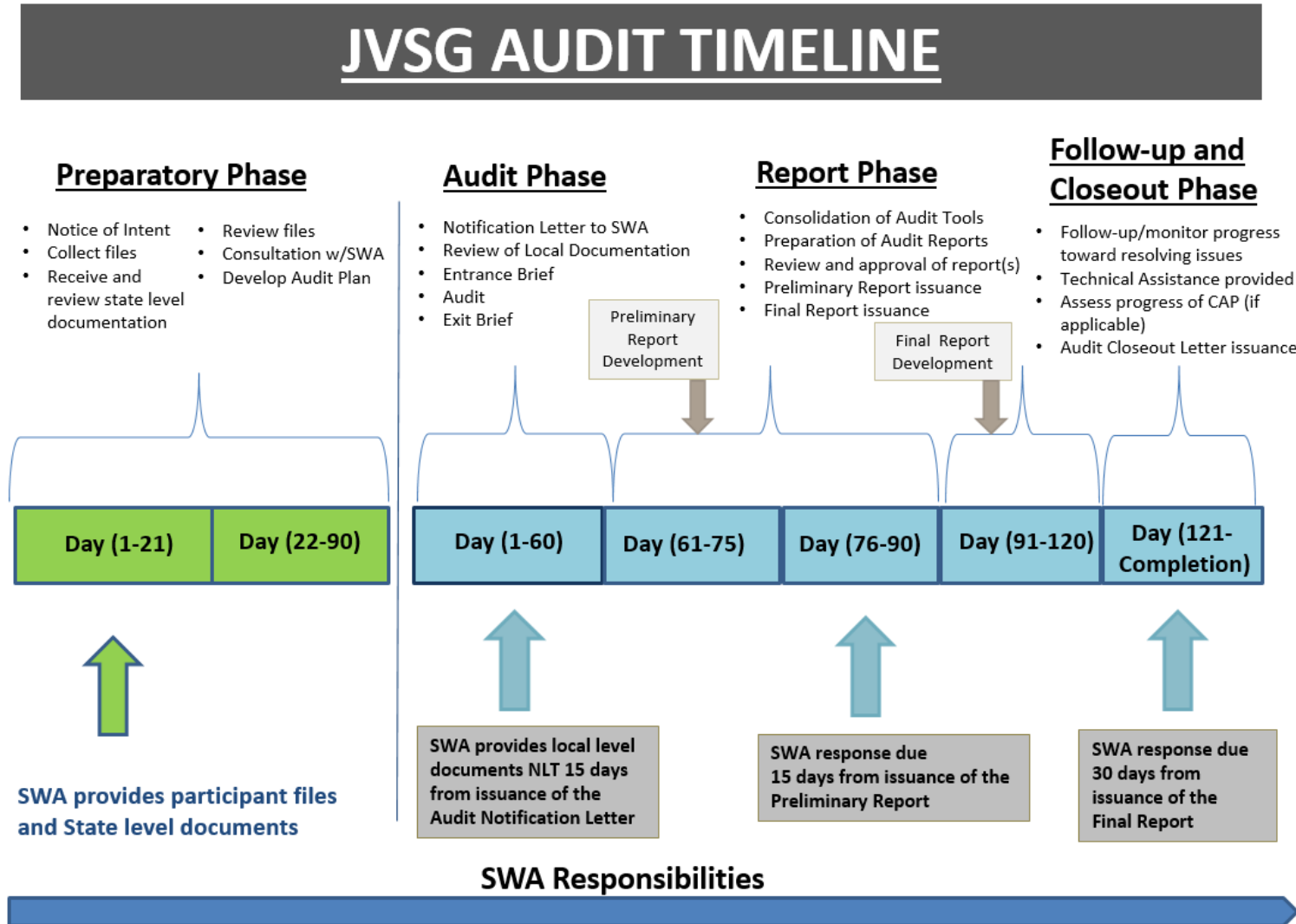
Only when the Findings outlined in the Final Audit Report have been corrected can they be officially closed. Some required actions may be completed within the 30-day timeframe prior to issuance of the Final Audit Report. Others may take longer. In such cases, the SWA and DVET will participate in TA and follow up on a negotiated, scheduled basis to ensure expected resolution is on schedule. States will be required to include an updated CAP as part of their JVSG quarterly report until all Findings are resolved.

The SWA may request an extension, via email or formal letter, of the 30-day timeline to submit its official response. It must include a justification for the request, proposed timeline for submission, and it must be approved by the RAVET. The DVET will send a follow-up letter requesting the status of the response to the audit report if there was an incomplete response or an extension request from the state in the 30-day timeframe allotted.

The DVET will provide a Finding Closeout Letter to the SWA quarterly or upon resolution of the issues identified in the Final Audit Report. As appropriate, the DVET will issue Closeout Letters to the SWA for individual Findings until the audit is officially closed.

The DVET will provide an Audit Closeout Letter to the SWA once all Findings are satisfactorily resolved.

Appendix A: JVSG Audit Timeline



Appendix B: Common Terminology

Additional Population – Veterans identified by the Secretary of Labor as a special population, to receive services provided by a Disabled Veterans’ Outreach Program (DVOP) Specialist/Consolidated Position (CP) staff using case management. Used as part of an eligibility determination to receive DVOP services.

American Job Center (AJC) Network – A unifying name and brand that identifies virtual and in-person publicly funded workforce development services as part of a single network.

Area of Concern – (Yellow) – An element that identifies a technical assistance opportunity in an area that could result in non-compliance with federal statute, regulations, policy, or terms and conditions/special grant provisions.

Assessment – A documented comprehensive evaluation that could include education, skills, job history, desired career, and significant barrier(s) to employment.

Assurance and Certifications – The act of signifying intent to comply with applicable federal and state laws and regulations as a condition for receiving and expending U.S. Department of Labor (USDOL) grant funds.

Audit Protocols – There are four audit protocols that can be used in any combination as methods of auditing:

- Observing,
- Interviewing,
- Reviewing Documentation, and
- Testing.

Audit Outcomes – Elements contained on the Audit Tool are classified into four categories and color-coded for easy reference:

- **Finding – (Red)** – Identifies an area of non-compliance with federal statute, regulations, policy, or terms and conditions/special grant provisions. Any unresolved Findings will result in a Corrective Action Plan (CAP). Findings resolved prior to the issuance of the Final Audit Report will remain on the report as an Issue Resolved, and a CAP will not be implemented.
- **Area of Concern – (Yellow)** – An element that identifies a technical assistance (TA) opportunity in an area that could result in non-compliance with federal statute, regulations, policy, or terms and conditions or the special grant provisions.
- **Promising Practice(s)** – Identification of an office or staff process that includes positive outcome(s) for the veteran population served at the AJC, as noted by the State Workforce Agency (SWA) or observed by Veterans’ Employment and Training Service (VETS) staff.
- **Acceptable – (White or Green)** – Element meets standard, no action necessary.

Barriers to Employment – Used in the development of the action plan as characteristics that may hinder a veteran’s hiring, promotion, or participation in the labor force.

Case Management – A client-centered approach in the delivery of individualized career services, which is designed to prepare and coordinate comprehensive employment plans for participants, assure access to the necessary training and supportive services, and provide support during program participation and after job placement. Case management includes a documented comprehensive assessment, written plan of action (Employment Plan, and consistent contact with the participant, as defined in this document or subsequent guidance of the same topic.

Case Manager – A DVOP/CP who coordinates, facilitates, or provides direct services to a client or trainee from application through placement, post placement follow-up, or other case closing, exclusively through periodic contact and the provision of appropriate assistance.

Compliance Issue – A violation of a federal law or policy and is identified as a Finding. *See “Audit Outcomes” above.*

Consistent Contact – Regular, consistent contact between the DVOP/CP and the eligible participant, including meetings and updates, both pre- and post-employment. Consistent contact is based on the participant’s individual needs and situation, as per the written plan and case notes. This also includes any documented attempts at contact.

Consolidated Position (CP) – A specialized staff person whose duties are statutorily defined in 38 U.S.C. §4102A(h). Duties may include those of both a DVOP specialist and Local Veterans’ Employment Representative (LVER staff (*see DVOP and LVER definitions below*). Although it is not required that these duties be evenly split between DVOP and LVER, CP staff must be 100 percent JVSG funded. CPs must be authorized and approved by VETS, as outlined in Veterans’ Program Letter (VPL 01-20 or subsequent VPLs of the same topic.

Corrective Action Plan (CAP) – A formal written plan, developed by the SWA, to address Findings as a result of the audit process.

DVET – (State Director for Veterans’ Employment and Training.

Disabled Veterans’ Outreach Program (DVOP Specialist) – A specialized staff person whose duties are statutorily defined in 38 U.S.C. §4103A.

DVOP Outreach – An active effort by program staff to encourage veterans in the designated service delivery area to avail themselves of program services.

Element – Individual questions asked on the Audit Tool.

Eligible Person – The term “eligible person” as defined in Title 38 §4101 means:

- The spouse of any person who died of a service-connected disability;
- The spouse of any member of the Armed Forces serving on active duty who, at the time of application for assistance under this chapter, is listed, pursuant to section 556 of title 37 and regulations issued thereunder, by the Secretary concerned in one or more of the following categories and has been so listed for a total of more than 90 days: (i) missing in action, (ii) captured in line of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power; or
- The spouse of any person who has a total disability permanent in nature resulting from a service-connected disability or the spouse of a veteran who died while a disability so evaluated was in existence.

Eligible Veteran – A person as defined in Title 38 U.S.C. §4211 who:

- Served on active duty for a period of more than 180 days and was discharged or released therefrom with other than a dishonorable discharge;
- Was discharged or released from active duty because of a service-connected disability;
- Was a member of a reserve component under an order to active duty pursuant to section 12301(a), (d), or (g), 12302, or 12304 of Title 10, served on active duty during a period of war or in a campaign or expedition for which a campaign badge is authorized, and was discharged or released from such duty with other than a dishonorable discharge; or
- Was discharged or released from active duty by reason of a sole survivorship discharge (as that term is defined in [§1174\(i\) of Title 10](#)).

Employment Plan – (i.e., Individual Employment Plan [IEP], plan of action)

A documented plan of action and services designed to overcome the barriers that exist and achieve the employment goals identified.

Federal Records Act – Requires federal agencies to create and maintain records that document the work of the government and specifically prohibits the destruction of federal records without proper authority. For audits, this includes copies of the VETS staffs’ worksheets (if printed worksheets were utilized), the Audit Tool, and notes taken by the DVET or other audit team members. (*See 44 U.S.C. Chapter 33*).

Finding – Identifies a significant area of non-compliance with federal statute, regulations, policy or terms of the grant agreement with one or more citations included. An unresolved Finding results in a CAP. *See “Audit Outcomes” above.*

FTE – Full-time equivalent as determined by the hours worked by one employee on a full-time basis in accordance with state policy.

Fiscal Year (FY) – For federal government purposes, any 12-month period beginning on October 1 and ending on September 30.

Grant Officer's Technical Representative (GOTR) – An individual (usually the DVET serving on behalf of the Grant Officer who maintains and ensures the integrity of the approved grant agreement by reviewing and making recommendations regarding technical matters not involving a change in scope, cost, or conditions.

Half-Time – DVOP/LVER staff who perform the appropriate statutory duties no less than 50 percent of their scheduled time.

Individualized Career Services (ICS) – Local employment and training services prescribed in §134 of Public Law 113-128, the Workforce Innovation and Opportunity Act (WIOA of 2014).

Intake – A process for screening individual applicants for program eligibility or making level-of-need determinations, and the routing or selecting of individual applicants for particular service-delivery or program participation.

Jobs for Veterans State Grants (JVSG) – A federal formula grant program for states to employ the number of DVOPs, CPs and LVERs as the state determines appropriate and efficient to carry out the duties prescribed in 38 U.S.C. §4103A(a)(1 and §4104(b).

Local Veterans' Employment Representative (LVER Staff) – A specialized staff person whose duties are statutorily defined in 38 U.S.C. §4104.

Manager's Report on Services to Veterans – A report on employment and training services provided to veterans and eligible persons by the local AJC or supported area.

National Veterans' Training Institute (NVTI) – National Veterans' Training Institute funded by the USDOL/VETS, to provide specific training to personnel involved in the provision of employment, job training, intensive services, placement, or related services to veterans. The NVTI is operated under contract.

One-Stop Delivery System – As defined in the WIOA, includes offices of the public employment delivery system operated directly or by contract with the SWA as a grantee within a state and may include One-Stop Career Centers, Local Employment Service Offices, any satellite or itinerant offices, or virtual sites, at which labor exchange services are available.

Outstation – A term used to identify locations *other* than AJCs where DVOP, CP, or LVER staff may be stationed to provide services and assistance.

Priority of Service – With respect to any qualified job training program funded by the USDOL, that a covered person shall be given priority over a nonveteran for the receipt of employment, training, and placement services provided under that program, notwithstanding any other provision of law, as described in 38 U.S.C. §4215.

Program Year (PY) – The 12-month period beginning July 1 in the fiscal year for which the appropriation is made and ending on the following June 30.

Promising Practice – Items identified as noteworthy that positively impact program performance and/or service delivery and are capable of replication.

Qualified Job Training Program – Any workforce preparation, development, or delivery program or service that is directly funded, in whole or in part, by the USDOL.

Significant Barrier to Employment – As defined in current VETS guidance and used as part of an eligibility determination to receive DVOP services.

Special Grant Provisions – Additional grant provisions specific to the JVSG program describing the roles of JVSG staff and other grant-related requirements.

State – Each of the 50 states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

State Performance Outcome Report – ETA-9173, this report is provided through the state certification of Participant Individual Record Layout (PIRL data and delivered via the Workforce Integrated Performance System (WIPS). [The most current information regarding performance reporting](#) is available online and includes the PIRL, reporting calculation specifications, and quarterly and annual report templates.

State Workforce Agency (SWA) – The state-level organization that manages the workforce system.

Stevens Amendment – P.L. 116-94, Division A, Title V, Section 505 requires grantees to publicly disclose the amount of their federal grant program funding when issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with federal money. Legislative authority for this amendment is included in annual appropriations statutes.

Technical Assistance (TA) – Can take the form of sharing information and expertise, instruction, skills training, transmission of working knowledge, and consulting services to ensure compliance with all existing JVSG requirements.

Terms and Conditions of the Grant – Imposed by the Grant Officer to guide and direct grant operations and include the special grant provisions.

VOW to Hire Heroes Act of 2011 (VOW Act) – Public Law 112-56, which amended 38 U.S.C. with respect to certain provisions of the JVSG program.

Appendix C: References and Documentation

Master Reference List: JVSG Audit Guidance

Required Federal References

Legislation

1. Jobs for Veterans Act, Chapter 41: Job Counseling, Training, and Placement Service for Veterans [Title 38, Chapter 41 §4102A, §4103A, §4104, and §4107, as amended](#)
2. [Workforce Innovation and Opportunity Act \(WIOA\)](#) (P.L. 113-128)
3. [Federal Records Act, 44 USC, Chapter 33](#)

Grant Provisions

1. Jobs for Veterans State Grants (JVSG) Terms and Conditions: Access current document via E-Grants
2. Special Grant Provisions: Access current document via E-Grants

Grant Officer's (GO) Memoranda

1. [GO Memo 03-20](#), Jobs for Veterans State Grants Program Years 2020-2021 Guidance to Establish Performance Targets (October 30, 2020)
2. [GO Memo 01-20](#), Jobs for Veterans State Grants (JVSG) State Plan Submission under WIOA Combined and Unified State Plans (March 4, 2020)

Veterans' Program Letters (VPL)

1. [VPL 01-20](#), Consolidated Disabled Veterans' Outreach Program (DVOP) Specialists and Local Veterans' Employment Representative (LVER) Staff Positions (January 16, 2020)
2. [VPL 07-19](#), Jobs for Veterans State Grants Recurring Report Requirements (August 14, 2019)
3. [VPL 03-19](#), Designation of Additional Populations Eligible for Services from Disabled Veterans' Outreach Program Specialists (February 7, 2019)
4. [VPL 01-19](#), Training Requirements and Reference Tool for Newly Hired Jobs for Veterans State Grant Staff (January 3, 2019)
5. [VPL 01-19 Att.1](#), Jobs for Veterans State Grants (JVSG) Primer (May 26, 2019)
6. [VPL 05-18](#), Redesigned National Veterans' Training Institute (NVTI) Core Courses (March 5, 2018)
7. [VPL 03-16](#), Enrollment of Homeless Veterans Program Participants into a Workforce Innovation and Opportunity Act (WIOA) Workforce Program at an American Job Center (AJC) (July 15, 2016)
8. [VPL 07-14](#), American Job Center (AJC) Participation in Capstone Activities and Other Outreach to Transition Service Members (September 26, 2014)

9. [VPL 03-14](#), and [Changes 1](#) and [2](#), Jobs for Veterans State Grants (JVSG) Program Reforms and Roles and Responsibilities of American Job Center (AJC) Staff Serving Veterans (April 10, 2014; February 11, 2015; and October 14, 2015, respectively)
10. [VPL 07-10](#), Refocused Roles and Responsibilities of Jobs for Veterans State Grant Funded Staff (June 29, 2010)

Required State and Local References *(The list below is an example and not all inclusive)*

1. Approved JVSG State Plan with approved Modifications
2. Approved State Plan (Note: JVSG State Plans submitted within a Combined Plan will not have a separate state plan)
3. Position Descriptions for all JVSG-funded positions (if applicable)
4. All State- and local-level policies governing the DVOP/LVER/Consolidated Position (CP) program
5. Most recent State Performance Outcome Reports (as available)
6. Local Customer Flow Process
7. Promotional and/or outreach materials, to include electronic promotions, web content, social media, banners, etc., utilized at the State or local level
8. Report identifying all veterans served by the DVOP who were provided an individualized career service (ICS) during the previous PY
9. Quarterly Manager's Report on Services to Veterans for the previous four completed calendar quarters
10. Work schedules for all Half-Time DVOP Specialists and LVER staff (if applicable)
11. Timesheets for Half-Time DVOP Specialists and/or LVERs, or other evidence of effort reporting to verify hours charged to the JVSG grant (if applicable)

NOTE: Auditor(s) will require "Read Only" access to the State's Management Information System (MIS)

Additional Federal References

Legislation

1. [P.L. 115-141, Division H, Title V, Section 505](#): Consolidated Appropriations Act, 2018; Stevens Amendment

Employment and Training Administration (ETA) Training and Employment Guidance Letters (TEGL) and Training Employment Notices (TEN)

1. [TEGL 07-20](#), Effective Implementation of Priority of Service Provisions for Most in Need Individuals in the Workforce Innovation and Opportunity Act (WIOA) Adult Program (November, 24, 2020)
2. [TEN 07-20](#), Resources for Serving Youth and Adults Involved with the Justice System (November 23, 2020)
3. [TEGL 23-19](#), Guidance for Validating Required Performance Data Submitted by Grant Recipients of U.S. Department of Labor (USDOL) Workforce Programs (June 18, 2020)
4. [TEGL 16-16](#) and [Change 1](#), One-Stop Operations Guidance for the American Job Center Network (January 18, 2017, and June 16, 2017, respectively)
5. [TEGL 19-16](#), Guidance on Services provided through the Adult and Dislocated Worker Programs under the Workforce Innovation and Opportunity Act (WIOA) and the Wagner-Peyser Act Employment Service, as amended by Title III of WIOA, and for Implementation of the WIOA Final Rules (March 1, 2017)
6. [TEN 08-16](#), Implementation of an Integrated Performance Reporting System for Multiple Employment and Training Administration (ETA) and Veterans' Employment and Training Service (VETS) Administered Programs (August 24, 2016)
7. [TEGL 04-16](#), Enrollment of Homeless Veterans Program Participants into a Workforce Innovation and Opportunity Act (WIOA) Workforce Program at an American Job Center (AJC) (August 4, 2016)
8. [TEN 42-15](#) and [Change 1](#), Announcing the Release of the *Workforce Innovation and Opportunity Act (WIOA) Final Rules* and Information Collections for WIOA and Additional DOL Administered Programs (June 30, 2016, and August 19, 2016, respectively)
9. [TEGL 04-15](#), Vision for the One-Stop Delivery System under the Workforce Innovation and Opportunity Act (WIOA) (August 13, 2015)
10. [TEGL 20-13 Change 2](#), Designation of Additional Population of Veterans and Other Populations Eligible for Services from the Disabled Veterans' Outreach Program Specialists (February 7, 2019)
11. [TEGL 19-13](#), and [Change 1](#) and [2](#), Jobs for Veterans State Grants (JVSG) Program Reforms and Roles and Responsibilities of American Job Center (AJC) Staff Serving Veterans (April 10, 2014; February 11, 2015; and October 30, 2015, respectively)

Government Accountability Office (GAO) Reports

1. [GAO-07-594](#), Labor Could Improve Information on Reemployment Services, Outcomes, and Program Impact (May 2007)
2. [GAO-06-176](#), Labor Actions Needed to Improve Accountability and Help States Implement Reforms to Veterans' Employment Services (December 2005)

3. [GAO-13-29](#), Better Targeting, Coordinating, and Reporting Needed to Enhance Program Effectiveness (December 2012)
4. [GAO-19-282](#), Grants Management: Agency Action Required to Ensure Grantees Identify Federal Contribution Amounts (March 2019)

U.S. Department of Labor, Office of Inspector General Office of Audit (OIG) Report

1. [OIG Report 06-14-001-02-001](#), VETS' Oversight of Florida's Jobs for Veterans State Grants Program Needs to be Strengthened (March 27, 2014)