



VETERANS' PROGRAM LETTER NO. 02-21

TO: ALL VETERANS' EMPLOYMENT AND TRAINING SERVICE STAFF
JOBS FOR VETERANS STATE GRANT RECIPIENTS

FROM: James Rodriguez
Acting Assistant Secretary

**JAMES
RODRIGUEZ**

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RODRIGUEZ
Date: 2021.09.15 11:32:16 -04'00'

SUBJECT: Jobs for Veterans State Grants Triennial Audit Program, Fiscal Years 2022–2024

I. Purpose: To provide guidance to State Workforce Agency (SWA) staff regarding the audit process to ensure compliance with the roles and responsibilities of the Disabled Veterans' Outreach Program (DVOP) specialist and Local Veterans' Employment Representative (LVER) staff, Consolidated DVOP/LVER Positions (CPs), and Half-Time Jobs for Veterans State Grants (JVSG) positions. This guidance also provides the tool used to conduct the audit process to determine compliance and generate an Audit Report.

II. References:

- A. [Title 38, United States Code \(USC\), Chapters 41 and 42](#), as amended;
- B. Special Grant Provisions for JVSG;
- C. [Veterans' Program Letter \(VPL\) 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, dated April 10, 2014; February 11, 2015; and October 14, 2015, respectively;
- D. [VPL 03-19](#), Designation of Additional Populations Eligible for Services from Disabled Veterans' Outreach Program Specialists, dated February 7, 2019;
- E. [VPL 07-10](#), Refocused Roles and Responsibilities of Jobs for Veterans State Grant Funded Staff, dated June 30, 2010;
- F. [VPL 07-19](#), Jobs for Veterans State Grant Recurring Report Requirements, dated August 16, 2019;
- G. [VPL 01-20](#), Consolidated Disabled Veterans' Outreach Program (DVOP) Specialists and Local Veterans' Employment Representative (LVER) Staff Positions, dated January 16, 2020;
- H. [Grant Officer Memorandum 01-20](#), Jobs for Veterans State Grants (JVSG) State Plan Submission under WIOA Combined and Unified State Plans, dated March 4, 2020;

- I. [Government Accountability Office \(GAO\) Report 06-176](#), Labor Actions Needed to Improve Accountability and Help States Implement Reforms to Veterans' Employment Services, issued December 2005;
- J. [GAO Report 07-594](#), Labor Could Improve Information on Reemployment Services, Outcomes, and Program Impact, issued May 24, 2007;
- K. [U.S. Department of Labor \(USDOL\), Office of Inspector General \(OIG\) Office of Audit, Report 06-14-001-02-001](#), VETS' Oversight of Florida's Jobs for Veterans State Grants Program Needs to be Strengthened, issued March 27, 2014; and
- L. [GAO-19-282](#), Grants Management: Agency Action Required to Ensure Grantees Identify Federal Contribution Amounts, issued March 2019.

III. Rescission: None.

IV. Background: In accordance with 38 United States Code (38 U.S.C. as amended) §4102A(b)(5) and §4102A(c), the Assistant Secretary for Veterans' Employment and Training (ASVET) provides grant funds available for use in each state to support DVOP specialists and LVER staff to carry out the duties as prescribed in §4103A and §4104 of 38 U.S.C. These funds are made available to the states through the JVSG. Title 38 U.S.C. §4103A and §4104 further directs VETS to conduct regular audits to ensure that DVOP specialists and LVER staff are performing only the duties specified in their respective sections of the Code.

Since the implementation of the Jobs for Veterans Act (JVA) in 2002, the completion of two GAO reviews (GAO-07-594 and GAO-06-176) found little to no distinction between services being provided by DVOP specialists and LVER staff in most states. These reviews also determined that DVOP specialists and LVER staff were performing many of the same functions as other AJC staff. Both of these findings indicated non-compliance with the statutorily defined roles and responsibilities of DVOP specialists and LVER staff. VPL 03-14, or the most current guidance on this subject, defines the appropriate roles for both the DVOP specialist and LVER. The audit determines if DVOP specialists and LVER staff are adhering to VETS guidance of the statutorily defined duties.

Annual Appropriations Acts include a requirement for federal funds recipients to disclose certain information 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 (commonly referred to as the "Stevens Amendment"). Pursuant to [P.L. 116-94, Division A, Title V, Section 505](#), as well as JVSG grant terms and conditions under Administrative Requirements, all non-federal entities receiving federal funds shall clearly state in these documents:

1. The percentage of the total costs of the program or project which will be financed with federal money;
2. The dollar amount of federal funds for the project or program; and
3. The percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

A GAO review ([GAO-19-282](#)) indicated that most federal agencies did not manage grantee compliance with the Stevens Amendment requirements. Accordingly, VETS will audit states' compliance beginning with the upcoming audit cycle. Noncompliance with this requirement will result in an "Area of Concern" designation for this triennial cycle.

- V. **Triennial JVSG Audit:** VETS will audit the JVSG program at the SWA level, to include a sample of AJCs where DVOP specialists or LVER staff are assigned.

The state's Director for Veterans' Employment and Training (DVET) is responsible for conducting JVSG staff Roles and Responsibilities Audits on a triennial audit cycle. The audit cycle incorporates Technical Assistance (TA) in the years between audits as a means of preventing and remediating deficiencies. The audit process is detailed in the SWA Technical Assistance Guide (TAG) for the Audit of the DVOP and LVER Duties under the JVSG program (Attachment 1), referred to as the JVSG Audit SWA TAG.

In accordance with 38 USC §4103A(a) and §4104(b), JVSG-funded staff fulfill roles and responsibilities described in law, regulation, or policy guidance exclusively to benefit eligible veterans. Services to veterans and eligible persons, as defined in current annual appropriation, is an absolute standard according to existing statutes. However, VETS allows up to three percent of services to ineligible persons, for system anomalies and honest errors, to be considered in compliance. VETS has determined that rates of non-compliance greater than 3 percent and less than 10 percent are an Area of Concern and require the SWA to examine the issue(s) to determine the factors contributing to the rate. A rate above 10 percent will result in a Finding and requires action by the state to identify why the issue exists and what steps are necessary to correct it. If the rate over 10 percent is due to services to eligible persons not captured in the ETA-9173 Program Performance Report (e.g., eligible transitioning service members [TSMs], spouses, and caregivers per VPL 03-19), then TA may be appropriate to improve data reporting. Otherwise, the Finding may result in a Corrective Action Plan (CAP).

DVOP specialists will provide services only to eligible veterans and eligible persons who meet the definition of an individual with a Significant Barrier to Employment (SBE) as defined in VPL 03-14, as amended. If a review of the participant files indicates that more than 20 percent of the individuals served by the DVOP specialist do not have an SBE or belong to a special population, as defined in VPL 03-19 or most current guidance, it will result in a Finding and a CAP, unless resolved prior to the issuance of the Final Audit Report. DVOP specialists focus on providing individualized career services, which should be accomplished through the case management approach as taught by the National Veterans' Training Institute (NVTI).

VETS defines case management to include three elements: comprehensive assessment, written plan of action, and consistent contact, as defined in the attached TAG and as taught by NVTI. The attached TAG outlines the case management process. Case management is an absolute standard according to existing statutes. Grantees must ensure services documented in their management information system are consistent with the services documented in the case notes.

Auditors will review participant files to check for the following:

- Participant files contain three elements of case management;
- Services in the case file and case notes are consistent with services in the state Management Information System (MIS);
- Case files identify all applicable barriers to employment;
- Case files contain an action plan(s) to overcome the identified barriers;
- Case files document career goal(s) and are appropriate based on the participant's needs, skills, abilities, limitations due to a disability, etc.;
- Case files document appropriate services and referrals provided to assist the participant to overcome barriers and find and maintain employment; and
- Case files document consistent, regular contact with the participant and other partners, as applicable.

If a review of the participant files results in fewer than 85 percent of case files meeting any of these criteria listed above, a response from the SWA will be required for each, unless it is resolved prior to the issuance of the Final Audit Report issued by the Auditor or DVET. If a review of the participant files results in fewer than 70 percent of case files meeting any of these criteria, a Finding and a CAP will be required, unless the Finding is resolved prior to the issuance of the Final Audit Report.

CAPs may be required at any time if egregious noncompliance issues are discovered, regardless of whether an audit is being conducted. CAPs are not intended to be punitive, but provide a detailed process to improve the delivery of services. The Audit Tool (Attachment 2) outlines the detailed elements that the Auditor will be utilizing during the audit process. VETS provides this tool to assist the SWAs with success in the delivery of services for the JVSG program.

VI. Inquiries and Resources: Any questions regarding the JVSG Triennial Audit Program should be referred to the state's DVET. [DVET contact information can be found on the USDOL website](http://www.dol.gov/vets/aboutvets/regionaloffices/map.htm) at www.dol.gov/vets/aboutvets/regionaloffices/map.htm.

VII. Expiration Date: To be reviewed for relevance on or before September 30, 2024.

VIII. Attachments and Electronic Links:

Attachment 1: JVSG Audit SWA TAG

Attachment 2: JVSG Audit Tool