

GAO Highlights

Highlights of [GAO-14-493](#), a report to Congressional requesters

Why GAO Did This Study

Recent incidents, including the collapse of a factory building in Bangladesh, have highlighted poor working conditions overseas. According to the International Labour Organization, millions of children worldwide are engaged in labor that hinders their development. ILAB provides technical assistance mainly through international and nongovernmental organizations to improve working conditions by supporting worker rights and combating child labor. You asked us to review issues related to ILAB's international technical assistance. This report examines (1) how ILAB develops its technical assistance projects, (2) how ILAB selects recipients of its funding, and (3) how Labor manages its grant award documentation.

To address these objectives, GAO reviewed Labor guidance on procurement, ILAB project manager manuals, and grant solicitations. GAO examined a nongeneralizable sample of 26 award files that were active in calendar years 2011-2013. GAO selected this sample based on several factors, including dollar value and geographic location. GAO also interviewed officials from ILAB and the Labor procurement office as well as ILAB grantees in Washington, D.C.

What GAO Recommends

To ensure the integrity of the procurement process for ILAB grants, the Secretary of Labor should provide guidance about documents required in grant award files and ensure that the guidance is implemented. Labor agreed with the recommendations.

View [GAO-14-493](#). For more information, contact Thomas Melito, (202) 512-9601, melitot@gao.gov

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INTERNATIONAL LABOR GRANTS

Labor Should Improve Management of Key Award Documentation

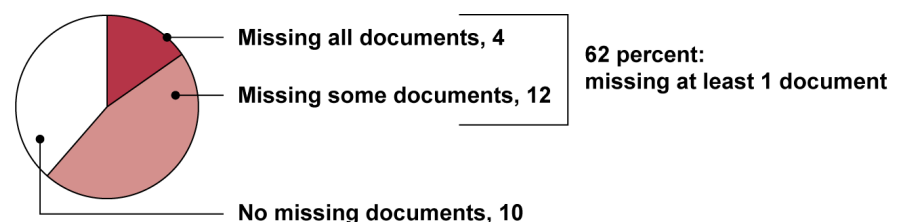
What GAO Found

The Department of Labor's (Labor) Bureau of International Labor Affairs (ILAB) has guidance and criteria for developing projects covering trade and labor and child labor. In fiscal year 2013, the child labor office obligated about \$56 million and the trade and labor office obligated about \$13.5 million for technical assistance projects. Officials from both offices said they consider many factors in deciding where to provide technical assistance, including the nature and extent of the problem, U.S. government priorities, and host government commitment. Each office uses a variety of information sources to develop project ideas. Once ILAB has decided to develop a project, the draft grant solicitation must go through Labor's agency-wide clearance process.

Labor has established procedures to select recipients of its funding, including processes for evaluating applications for grants, such as assessing applicants' past performance and capacity to manage grant funds. Officials said they have difficulty attracting a large number of applicants because the pool is potentially constrained by the specialized nature of the work, challenging location of the grants, and size and complexity of the grants. According to officials, ILAB takes steps to maximize competition, such as publishing Notices of Intent to give applicants more time to develop proposals.

Incomplete documentation makes it difficult to determine if Labor is following its grant award procedures, including conducting due diligence on financial viability and past performance of applicants. Based on GAO's review of 26 grant award files, over half of the files were missing some documentation, and 4 were missing all pre-award documents (see figure). Officials said that the procurement office has been trying to improve the organization of the files so that it is easier to follow the steps of the award process. For example, procurement officials said they are trying to more consistently use a checklist to record the documents the office receives, such as past performance information. However, use of this checklist is not required, and Labor guidance does not clearly state what documents must be retained in award files. According to *Standards for Internal Control in the Federal Government*, internal control, all transactions, and other significant events need to be clearly documented, and the documentation should be readily available. Further, the standards state that all documentation and records should be properly managed and maintained. Without such assurance that Labor is following its grant award procedures, ILAB is at increased risk of not meeting the goals of its programs.

Summary of key documents found in 26 award files



Source: GAO analysis of Department of Labor data.