

GAO Highlights

Highlights of [GAO-14-832](#), a report to congressional requesters

Why GAO Did This Study

According to the International Labour Organization, millions of children worldwide are engaged in labor that hinders their development. Recent incidents, including a factory collapse in Bangladesh, have highlighted poor working conditions overseas. ILAB's child labor office and trade and labor office provide funding to improve working conditions by supporting worker rights and combating child labor, mainly through international and nongovernmental organizations. The child labor office obligated about \$56 million and the trade and labor office obligated about \$13.5 million in fiscal year 2013. You asked us to review issues related to ILAB's international technical assistance. This report examines how ILAB (1) ensures the financial accountability of its technical assistance funds, (2) monitors the performance of its projects, and (3) evaluates its projects and uses the results of the evaluations. To address these objectives, GAO reviewed ILAB documents on financial requirements, performance monitoring, and evaluation. GAO analyzed a nongeneralizable sample of 26 grants that were active in calendar years 2011-2013. GAO selected this sample based on several factors, including dollar value and geographic location.

What GAO Recommends

GAO recommends that the Secretary of Labor take actions such as establishing guidance on time frames and criteria for accepting or rejecting financial reports, and implementing the trade and labor office's plans to conduct attestation engagements and develop common indicators. DOL agreed with GAO's recommendations.

View [GAO-14-832](#). For more information, contact Thomas Melito at (202) 512-9601, melitot@gao.gov.

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INTERNATIONAL LABOR GRANTS

DOL's Use of Financial and Performance Monitoring Tools Needs to Be Strengthened

What GAO Found

The Department of Labor's (DOL) Bureau of International Labor Affairs' (ILAB) child labor office and trade and labor office both have guidance for the financial monitoring of grants, but could improve their financial oversight. For example, we found that project managers completed their acceptance or rejection of about 20 percent of quarterly financial reports more than 90 days after receipt from the grantee, after the next quarter's report was due. ILAB does not have guidance that provides time frames and criteria for accepting or rejecting quarterly financial reports. In addition, although the child labor office supplements federal financial requirements with attestation engagements of selected projects to, among other things, assess the accuracy and reliability of grantee financial and performance data, the trade and labor office has not yet implemented its plan to conduct such attestation engagements of its grants, although officials said they plan to do so by November 2014. Without addressing these gaps in financial oversight, it could be difficult for ILAB to ensure federal resources are used efficiently and effectively to achieve desired objectives. The figure below outlines selected financial and performance monitoring tools and requirements from each office.

Financial and Performance Monitoring Tools and Requirements

Monitoring	Child labor office	Trade and labor office
Financial	■ Federal financial report: due each quarter	■ Federal financial report: due each quarter
	Inventory list of all equipment and real property: ■ Not specified for subgrantees	Inventory list of all equipment and real property: ■ Not specified for subgrantees
Performance	Common indicators	■ No common indicators
Performance and financial	Attestation engagements: <i>for selected grants since 2005</i>	■ No attestation engagements

■ **Bolded text in italics** indicates areas GAO identified for improvement.

Source: GAO analysis based on Department of Labor documents and officials. | GAO-14-832

ILAB uses a number of tools to monitor the performance of its projects, but the trade and labor office's monitoring could be strengthened. Twenty-two of 26 grant files we reviewed included key monitoring documents, such as periodic performance progress reports. The child labor office requirements have generally been more comprehensive than those of the trade and labor office. For example, in contrast to the child labor office, the trade and labor office does not have common indicators that are used across projects and, as stated above, has not conducted attestation engagements of its grants. Without common indicators and attestation engagements, it is difficult for the trade and labor office to assess overall progress across projects and toward the office's goals, and whether its grantees are in compliance with relevant regulations.

ILAB conducts final evaluations for all projects to assess the performance of the project, including an assessment of performance against goals and objectives. Officials said they have drawn lessons learned from these evaluations that they have incorporated into subsequent projects, including addressing monitoring and evaluation issues earlier in a project. ILAB has also commissioned impact evaluations to determine whether a project has an effect and to quantify how large the effect is, and two have been completed to date.