

**U.S. Department of Labor
Office of Inspector General
Office of Audit**

BRIEFLY...

Highlights of Report Number 02-13-201-03-390, issued to the Assistant Secretary for Employment and Training.

WHY READ THE REPORT

The Employment and Training Administration's mission is to contribute to the efficient functioning of the U.S. labor market by providing high quality job training, employment, labor market information, and income maintenance services operated primarily through state and local workforce development systems. ETA drives this strategic development of the workforce primarily by the investment of federal resources through grants.

One of the methods ETA uses to accomplish this is through discretionary grant programs. The discretionary grant award process encompasses all aspects of the planning, execution, oversight, and closeout of ETA awards. The goal of this phase is to complete the closeout of grants expeditiously, which includes the resolution of audits and collection of debt, and maintenance of all grant financial and performance records for evaluation and consideration in future awards.

WHY OIG CONDUCTED THE AUDIT

Our audit objective was to answer the following question:

Did ETA close grants in accordance with federal and agency guidelines including analyzing final performance results for use in the pre-award phase of future grants?

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/2013/02-13-201-03-390.pdf>.

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ETA NEEDS TO ENHANCE ITS PERFORMANCE EVALUATION PROCESS FOR DISCRETIONARY GRANTEES AT CLOSEOUT AND USE RESULTS FOR FUTURE GRANT INVESTMENTS

WHAT OIG FOUND

ETA complied with federal and agency administrative guidelines, such as timeliness and financial reconciliations, at closeout. However, there was limited assurance that grants achieved their intended goals. Grantees' overall performance was not always evaluated and documented, and ETA did not demonstrate that final performance results were used in the pre-award phase to improve future grant investments.

ETA certified all sampled grantees' performance as acceptable, although achievement of grant goals ranged from 0 percent to 100 percent. This occurred because the certification process lacked criteria for defining acceptable performance. Furthermore, ETA did not follow its own rules requiring the evaluation of grantee performance. This was because ETA had not considered a need to develop and implement a process to ensure information about grantee performance was captured during the closeout phase and used for future grant design and investments.

WHAT OIG RECOMMENDED

We recommended the Assistant Secretary for Employment and Training develop criteria for determining acceptable performance for discretionary grant programs that lacked such criteria, and implement a process that captures grantee performance results for use in future grant investments.

In response to the draft report, the Assistant Secretary for Employment and Training was primarily concerned with OIG's definition of grant success, which was limited to the number of grants that met all of their individual goals. However, ETA did not address the need to develop criteria for determining acceptable performance or implementing a process that captures grantee performance results for use in future grant investments.