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Office of Audits

November 2021

Audit of Compliance With Cost-Sharing Requirements for Selected Department of State Grants and Cooperative Agreements

CONTRACTS, GRANTS, AND INFRASTRUCTURE DIVISION



HIGHLIGHTS

Office of Inspector General
United States Department of State

AUD-CGI-22-12

What OIG Audited

Federal agencies can require applicants for Federal assistance awards to cover a share of the costs for implementing the award. The non-Federal share of costs, frequently called “cost share” or “matching costs,” refers to that portion of the project or program costs that is not borne by the Federal Government. During FY 2019 and FY 2020, the Department of State (Department) awarded 2,995 grants and cooperative agreements, of which, 296 included cost-sharing requirements totaling \$60.8 million.

The Office of Inspector General (OIG) conducted this audit to determine whether recipients of selected Department grants and cooperative agreements complied with cost-sharing requirements in accordance with the award agreements.

What OIG Recommends

OIG made 12 recommendations to 3 Department bureaus to improve internal controls related to monitoring cost-sharing requirements and to determine whether identified questioned costs are allowable and supported. On the basis of the Department’s responses to a draft of this report, OIG considers the 12 recommendations resolved, pending further action. A synopsis of management’s responses to the recommendations offered and OIG’s reply follow each recommendation in the Audit Results section of this report. Responses received from the Bureau of Administration; Bureau of Population, Refugees, and Migration; and the Office to Monitor and Combat Trafficking in Persons are included in their entirety in Appendices C through E, respectively.

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OFFICE OF AUDITS

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Audit of Compliance With Cost-Sharing Requirements for Selected Department of State Grants and Cooperative Agreements

What OIG Found

Recipients of the eight financial assistance awards reviewed for this audit mostly complied with cost-sharing requirements in accordance with the award agreements. However, OIG found that award recipients could not support 12 (13 percent) of 89 expense transactions selected for sampling, totaling \$46,306. Additionally, three of the award recipients used expenses incurred outside of the awards’ periods of performance to fulfill the cost-share requirement established in the agreements. Finally, OIG found that 8 (22 percent) of 36 Federal Financial Reports (Standard Form 425) reviewed for this audit included an incomplete or incorrect cost-share amount.

OIG determined that the incomplete or incorrect cost-share reporting occurred, in part, because of weaknesses in the Department’s system of internal controls that is meant to discover and correct errors during award execution. For example, monitoring plans were not tailored to awards, monitoring controls were not adjusted when the COVID-19 pandemic prevented site visits, and Grants Officer Representatives (GOR) training did not provide adequate instruction for oversight of cost-share requirements. Furthermore, Grants Officers (GO) and GORs lacked clarity related to their responsibilities for monitoring financial aspects of awards.

As a result of its testing, OIG identified \$261,119 of unsupported or unallowable cost-share transactions. Until the internal control deficiencies identified are corrected, the Department will not have reasonable assurance that cost-sharing requirements are being fulfilled in accordance with Federal requirements and award agreements.

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OBJECTIVE

The Office of Inspector General (OIG) conducted this audit to determine whether recipients of selected Department of State (Department) grants and cooperative agreements complied with cost-sharing requirements in accordance with the award agreements.

BACKGROUND

According to the Department's Federal Assistance Directive (FAD),¹ the Bureau of Administration, Office of the Procurement Executive (OPE), provides Department-wide leadership over the full range of grants management services. This includes developing, issuing, and maintaining operational guidance, procedures, and policy for all Department Federal assistance programs (e.g., grants and cooperative agreements)² domestically and abroad.

OPE's Federal Assistance Division develops, implements, and manages the Department's Federal assistance training requirements for grants management professionals, such as Grants Officers (GO) and Grants Officer Representatives (GOR). The office also collaborates with grant-making bureaus, program offices, and the Foreign Service Institute³ to build knowledge and skills to support the Department's Federal assistance program.

Cost Sharing

Federal agencies can require applicants for Federal assistance awards to cover a share of the costs for implementing the award. The non-Federal share of costs, frequently called "cost share" or "matching costs," refers to that portion of the project or program costs that is not borne by the Federal Government. This may include cash and third-party in-kind contributions.⁴ These costs must reflect the realistic capacity of the applicant and any third-party contributors.

According to OPE data, during FY 2019 and FY 2020, the Department awarded 2,995 grants and cooperative agreements, of which, 296 included cost-share requirements. The programs funded by these assistance instruments support initiatives worldwide, including projects related to democracy, human rights, and labor; weapons removal and abatement (demining); educational exchange programs; and public diplomacy programs. As shown in Table 1, for these 296

¹ The FAD establishes internal guidance, policies, and procedures for all domestic and overseas grant-making bureaus, offices, and posts within the Department for administering Federal assistance.

² A grant is an assistance instrument used when the principal purpose is the transfer of money, property, or services to accomplish a public purpose of support or stimulation authorized by Federal statute when it is anticipated that there will be no substantial involvement between the agency and the grantee during performance. A cooperative agreement is an assistance instrument that has the same principal purpose as a grant. However, unlike a grant, it is anticipated that there will be substantial involvement between the agency and the award recipient during performance of the cooperative agreement.

³ The Foreign Service Institute is the primary training institution for the Department. The Foreign Service Institute provides classroom courses and distance learning courses.

⁴ FAD, Chapter 2, Section N.3.c, "Non-Federal Share of Costs (Cost Share)" (October 2018 and later revisions).

awards, recipients were required to provide cost-share contributions totaling more than \$60 million.

Table 1: FY 2019 and FY 2020 Federal Assistance Awards Containing Cost-Share Requirements

Year	Number of Agreements	Department Funding Amount	Recipient Cost Share Amount	Total
2019	160	\$259,857,424	\$31,589,872	\$291,447,296
2020	136	\$242,677,990	\$29,248,017	\$271,926,007
Total	296	\$502,535,414	\$60,837,889	\$563,373,303

Source: Generated by OIG from grants and cooperative agreements data provided by OPE.

As detailed in Table 2, OIG selected eight awards with a cost-sharing component for testing from four bureaus or offices:⁵ the Bureau of International Narcotics and Law Enforcement Affairs (INL); the Under Secretary for Civilian Security, Democracy, and Human Rights, Office to Monitor and Combat Trafficking in Persons (TIP); the Bureau of Near Eastern Affairs (NEA); and the Bureau of Population, Refugees, and Migration (PRM).

Table 2: Selected Department Grants and Cooperative Agreements

Grants and Cooperative Agreements	Bureau	Department Funding Amount	Recipient Cost Share Amount	Total Award
SINLEC19GR0359	INL	\$988,490	\$1,047,154	\$2,035,644
SINLEC19GR0342	INL	1,010,398	713,652	1,724,050
SSJTIP19GR0004	TIP	600,000	732,290	1,332,290
SSJTIP20GR0008	TIP	1,500,000	660,337	2,160,337
SNEACA19CA0068	NEA	2,500,000	1,596,395	4,096,395
SNEAC19CA0037	NEA	3,000,000	617,732	3,617,732
SPRMCO19CA0099	PRM	1,000,000	1,095,585	2,095,585
SPRMCO20CA0101	PRM	900,000	1,594,413	2,494,413
Total		\$11,498,888	\$8,057,558	\$19,556,446

Source: Generated by OIG from data provided by the Department involving selected grants and cooperative agreements reviewed for this audit.

Grant SINLEC19GR0359 was awarded on September 17, 2019, to reduce the ability of criminal groups to profit from poaching and trafficking protected animals and their body parts originating in or transiting Africa. Specifically, the objective of the grant was to develop and operate wildlife detection dog programs at key transit points in Africa to interdict illegal wildlife products.

Grant SINLEC19GR0342 was awarded on September 13, 2019, to build interdiction, investigative, and enforcement capacity to stop the transit of protected wildlife; support the

⁵ Appendix A provides details of the sample selection methodology.

provision of non-lethal equipment to address the multifaceted dimensions of poaching and wildlife trafficking; and encourage increased cross-border cooperation with neighboring or source countries to combat wildlife trafficking more effectively.

Grant SSJTIP19GR0004 was awarded on September 10, 2020, to develop and strengthen Uganda's criminal justice system's response to trafficking in persons and ensure access to justice and fair treatment for all trafficking in persons victims.

Grant SSJTIP20GR0008 was awarded on February 27, 2020, to improve the legal framework and policies related to trafficking in persons, including developing specific anti-trafficking in persons legislation; enhancing the Government's capacity to prevent trafficking in persons, assist and protect victims, and prosecute trafficking in persons cases; and strengthening the capacity of community-based organizations to identify labor and sex trafficking victims among vulnerable populations, especially Venezuelan migrants, women, children, and others.

Cooperative agreement SNEACA19CA0068 was awarded on September 29, 2019, to accelerate the investigation and prosecution of perpetrators of conflict-related crimes in Syria and Iraq through support to existing national and international justice and accountability mechanisms, as well as tracking suspects and developing case files against individuals residing in friendly jurisdictions.

Cooperative agreement SNEAAC19CA0037 was awarded on September 24, 2019, to support academically qualified and economically disadvantaged students from the Middle East and North Africa region through education and leadership training at U.S.-accredited regional institutions.

Cooperative agreement SPRMCO19CA0099 was awarded on March 31, 2020, to provide health, livelihoods, and protection for Burundian and Congolese refugees, asylum seekers, and host communities in northwestern Tanzania.

Cooperative agreement SPRMCO20CA0101 was awarded on August 14, 2020, to provide legal, protection, health, education, and psychosocial support for refugees and their communities in Cairo, Egypt.

Award Oversight Responsibilities and Tools

Only a Department official that is appointed by OPE to be a GO can commit the U.S. Government to a Federal assistance award.⁶ According to the Department's Standard Terms and Conditions, the GO is responsible for all actions on behalf of the Department, including entering into, changing, or terminating the award. The GO is authorized by a warrant issued by the Procurement Executive in the Office of the Procurement Executive. In addition, the GO is responsible for ensuring that all elements of the legally binding Notice of Award are

⁶ FAD, Chapter 1, Section D.2.a, "Grants Officer Warrants" (October 2018 and later revisions).

met.⁷ All elements of the award—including the award amount, purpose or scope of the project, program description, period of performance, and approved budget—must clearly, coherently, and concisely capture the understandings of both parties. A GO must successfully complete specified training courses, with the appropriate number of hours, to obtain a Certificate of Appointment as a GO and satisfy continuing education training requirements.⁸

According to the FAD, the GO must designate a GOR for all assistance awards when the U.S. Government's share of costs is more than \$100,000, whether issued domestically or overseas. In addition, the GO may designate a GOR for all other awards.⁹ A GOR assists the GO to ensure that the Department exercises prudent management and oversight of the assistance award through programmatic and financial monitoring and evaluating the award recipient's performance. The GO and GOR are responsible for monitoring the financial capability, stability, and funds management of the recipient, as well as the actual expenditures related to the award activity.¹⁰

Monitoring all Department assistance awards is required and is performed to ensure that awardees adhere to programmatic and financial management performance and accomplish intended activities, goals, and objectives.¹¹ The FAD discusses monitoring techniques, including risk assessments, monitoring plans, review of recipient Standard Form (SF) 425, Federal Financial Reports, and site visits and virtual desk audits.

- Risk Assessments—Bureaus, offices, and posts are required to conduct a risk assessment, using an OPE template, for all awards. Because some awards are deemed riskier than others, the level of award monitoring should be based on the risk assessment. Prior to award, GOs are responsible for verifying that the required risk assessment has been completed.¹²
- Monitoring Plans—Every award must have a written monitoring plan that is appropriate to the award and tied to the risk assessment. Additionally, the plan should be tied to the scope of the program or project and show the performance metrics for the scheduled activities and the frequency and types of monitoring mechanisms to be used.¹³
- Federal Financial Reports—Award recipients are required to report on their award's financial status with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually and nor more frequently than quarterly

⁷ FAD, Chapter 3, Section E, "Notice of Award Components" (October 2018 and later revisions).

⁸ FAD, Chapter 1, Section D.2.a, "Qualifying Training Courses" (October 2018 and later revisions).

⁹ FAD, Chapter 2, Section P, "Grants Officer Designates Grants Officer Representative (GOR)" (October 2018 and later revisions).

¹⁰ FAD, Chapter 4, Section D.1, "Financial Reporting" (October 2018 and later revisions).

¹¹ FAD, Chapter 4, Section D, "Monitoring and Reporting" (October 2018 and later revisions).

¹² FAD, Chapter 2, Section K, "Conduct a Risk Assessment" (October 2018 and later revisions).

¹³ FAD, Chapter 2, Section O, "Developing a Monitoring Plan" (October 2018 and later revisions).

except in unusual circumstances, using the SF-425.¹⁴ The GO, the GOR, or both must review all reports submitted by the recipient.¹⁵ Specifically, the GO or GOR must document in the official Federal award file that he or she has reviewed and approved the SF-425, by signing the form, adding a note to the official Federal award file in the State Assistance Management System (SAMS),¹⁶ or reviewing and approving in the Payment Management System.¹⁷

- Site Visits and Virtual Desk Audits—Department officials may conduct site visits or virtual desk audits to review recipient records, performance, organizational procedures, and financial control systems.¹⁸

For an award with a cost-sharing requirement, Form DS-1909, the Notice of Award,¹⁹ must indicate the non-Federal amount, and the award must contain a standard provision describing the award recipient's responsibility regarding cost share and what will occur if the recipient does not meet the cost-share amount stipulated in the approved budget.²⁰ If the recipient does not fulfill the cost-share requirement, the GO can reduce the Government's share of the award in proportion to the cost share stipulated in the approved budget or hold the award recipient accountable for the amount specified in the approved budget.

Award Recipient Responsibilities and Cost Principles

The cost principles defined in Title II of the Code of Federal Regulations (C.F.R.)²¹ are based on the fundamental premise that the award recipient is responsible for the efficient and effective administration of the Federal award through the application of sound management practices and assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.²² Recipients have the primary responsibility for employing sound organization and

¹⁴ FAD, Chapter 2, Section N.5, "Financial Reporting" (October 2018 and later revisions).

¹⁵ FAD, Chapter 4, Section D.1, "Financial Reporting" (October 2018 and later revisions).

¹⁶ SAMS was developed to unify the Department's Federal assistance processes and provide greater transparency, accountability, and reporting capabilities to bureaus and posts. SAMS also delivers system-related training, support, reporting, and system assurance services. SAMS must be used to issue and manage the Department's domestic and overseas Federal awards. SAMS automatically captures award documentation and acts as the official award file for awards executed through SAMS.

¹⁷ The Payment Management System is a centralized Federal award payment and cash management system. The Department requires the Payment Management System to be the sole electronic payment method for domestically awarded Federal financial assistance to U.S.-based organizations where the recipient is expected to receive multiple payments.

¹⁸ FAD, Chapter 4, Section D.4, "Desk Monitoring;" Section D.5, "Site Visits" (October 2018 and later revisions). Note that virtual desk audits were not included in the FAD until October 2020.

¹⁹ GOs must use Form DS-1909 for all grants and cooperative agreements. The DS-1909 is the official obligating document.

²⁰ FAD, Chapter 2, Section N.3.c, "Non-Federal Share of Costs (Cost Share)" (October 2018 and later revisions).

²¹ 2 C.F.R. §200 provides uniform administrative, cost principles, and audit requirements for Federal awards.

²² 2 C.F.R. §200.400, "Policy guide."

management techniques to ensure the proper and efficient administration of the Federal award.

According to 2 C.F.R. §200.306(b), for all Federal awards, any shared costs or matching funds and all contributions, including cash and third-party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching costs when such contributions meet all of the following criteria:

- Are verifiable from the non-Federal entity's records.
- Are not included as contributions for any other Federal award.
- Are necessary and reasonable to accomplish project or program objectives.
- Are allowable under Subpart E of the C.F.R. section.
- Are not paid by the Federal Government under another Federal award, except when the Federal statute authorizing a program specifically provides that Federal funds made available for such a program can be applied to matching costs or cost-sharing requirements of other Federal programs.
- Are provided for in the approved budget when required by the awarding Federal agency.
- Conform to other provisions of the C.F.R. section, as applicable.

The award recipient must maintain records to support all expenditures.²³ The award recipient must also report the amount of cost sharing it has contributed on the SF-425²⁴ and SF-270²⁵ reports.²⁶

²³ 2 C.F.R §200.302(b)(3), "Financial management."

²⁴ SF-425 is the form for reporting expenditures.

²⁵ SF-270, Request for Advance or Reimbursement, is the form for all Federal award payment requests.

²⁶ FAD, Chapter 2, Section N.3.c, "Non-Federal Share of Costs (Cost Share)" (October 2018 and later revisions).

AUDIT RESULTS

Finding A: Internal Controls for the Oversight of Awards With Cost-Sharing Agreements Need Improvement

OIG found that recipients of the eight financial assistance awards reviewed for this audit mostly complied with cost-sharing requirements in accordance with the award agreements. However, OIG found that award recipients could not support 12 (13 percent) of 89 expense transactions selected for sampling, totaling \$46,306. Additionally, three of the award recipients used expenses incurred outside of the awards' periods of performance to fulfill the cost-share requirement established in the agreements. Finally, OIG found that 8 (22 percent) of 36 SF-425s²⁷ reviewed for this audit included an incomplete or incorrect cost-share amount.

OIG determined that the deficiencies identified in incomplete or incorrect cost-share reporting occurred, in part, because of weaknesses in the Department's system of internal controls that is meant to discover and correct errors during award execution. For example, monitoring plans were not tailored to awards, monitoring controls were not adjusted when the COVID-19 pandemic prevented site visits, and GOR training did not provide adequate instruction for oversight of cost-share requirements. Furthermore, GOs and GORs lacked clarity related to their responsibilities for monitoring financial aspects of awards.

As a result of its testing, OIG identified \$261,119 of unsupported or unallowable cost-share transactions. Until the internal control deficiencies identified are corrected, the Department will not have reasonable assurance that cost-sharing requirements are being fulfilled in accordance with Federal requirements and award agreements.

Some Reported Cost-Share Amounts Were Unsupported

According to 2 C.F.R §200, for all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions are verifiable from the non-Federal entity's records, among other requirements.²⁸ Also, according to each award agreement, the recipient must maintain written records to support all allowable costs that are claimed as being the award recipient's contribution, as such records are subject to audit. OIG selected 89 expense transactions²⁹ from the 8 awards to determine whether the reported cost-

²⁷ Award recipients are required to report on their award's financial status with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually and nor more frequently than quarterly except in unusual circumstances, using the SF-425. The GO or the GOR must document in the official Federal award file that he or she has reviewed and approved the SF-425, either by signing the form, adding a note to the official Federal award file in SAMS or reviewing and approving in the Payment Management System. FAD, Chapter 2, Section N.5, "Financial Reporting;" Chapter 4, Section D.1, "Financial Reporting" (October 2018 and later revisions).

²⁸ 2 C.F.R §200.306(b)(1), "Cost Sharing or Matching."

²⁹ See Appendix A for details of the sample selection.

share amounts were supported by documentation, as required by the C.F.R.³⁰ As shown in Table 3, awardees did not provide sufficient documentation to support 12 (13 percent) of the 89 cost-share transactions tested, totaling \$46,306.

Table 3: Unsupported Transactions Identified During OIG Testing

Award	Bureau	Number Tested	Amount Tested	Number of Unsupported Transactions	Amount of Unsupported Transactions
SINLEC19GR0342	INL	10	\$6,581	0	0
SINLEC19GR0359	INL	10	\$50,090	0	0
SSJTIP19GR0004	TIP	14	\$233,243	1	\$8,730
SSJTIP20GR0008	TIP	13	\$41,194	11	\$37,576
SNEAAC19CA0037	NEA	11	\$38,554	0	0
SNEAAC19CA0068	NEA	11	\$28,885	0	0
SPRMCO19CA0099	PRM	10	\$21,277	0	0
SPRMCO20CA0101	PRM	10	\$36,041	0	0
Total		89	\$455,865	12	\$46,306

Source: OIG generated based on analysis of cost sharing data provided by the Department for the eight selected grants and cooperative agreements reviewed for this audit.

For the 12 unsupported transactions, OIG found that the two recipients did not maintain adequate records to support expenses, as required. Specifically, one recipient was unable to provide its general ledger, which would include cost-sharing amounts, and it took the award recipient 7 weeks to provide a summary report of cost-sharing transactions. According to the award recipient's auditing consultant, the recipient did not understand the cost-share aspect of the grant and the recipient did not properly record the transactions in the general ledger. However, the responsible GO stated that the cost-share requirements were discussed with the awardee during a pre-award site visit. With respect to the second award recipient, OIG found that the recipient did not provide adequate records to support 11 of the 13 expenses reviewed.

Expenses Incurred Outside of the Period of Performance

According to 2 C.F.R. §200, a non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance.³¹ Additionally, according to the award agreements, all costs reported must be within the award's period of performance and the recipient must maintain written records to support all allowable costs that are claimed as being its cost-share contribution. The FAD states that pre-award costs are costs incurred by the

³⁰ 2 C.F.R. §200.302(b)(3), "Financial management."

³¹ 2 C.F.R. §200.309, "Period of Performance." 2 C.F.R. §200 was amended in 2020, with an effective date of November 12, 2020, and 2 C.F.R. §200.309 no longer discusses allowability of costs. This requirement can now be found at 2 C.F.R. §200.403(h), "Factors affecting allowability of costs," which states that costs must be incurred during the approved budget period to be allowable.

recipient at their own financial risk before the authorized start date of an award.³² However, a GO is authorized, at their discretion, to include a clause in the award document to allow the recipient to be reimbursed for pre-award costs. The FAD further prescribes that pre-award costs can only be formally approved at the time the award is signed.

As shown in Table 4, of the 19,126 cost-share transactions analyzed,³³ OIG found that 565 expense transactions (3 percent), totaling \$214,813 (4 percent), were incurred outside of the awards' periods of performance for 3 of the awards and therefore were unallowable.

Table 4: Summary of Costs Reported Outside the Period of Performance

Award	Bureau	Transactions Tested	Amount of Cost Share ^a	Transactions With Unallowable Costs ^b	Amount of Unallowable Costs
SINLEC19GR0342	INL	44	\$36,464	1	\$18,150
SINLEC19GR0359	INL	661	\$323,446	0	\$ 0
SSJTIP19GR0004	TIP	42	\$192,488	0	\$ 0
SSJTIP20GR0008	TIP	116	\$224,154	82	\$109,421
SNEAAC19CA0037	NEA	11	\$38,554	0	\$ 0
SNEAAC19CA0068	NEA	2,063	\$1,596,395	0	\$0
SPRMCO19CA0099	PRM	5,614	\$1,108,364	482	\$87,242
SPRMCO20CA0101	PRM	10,575	\$1,191,661	0	\$0
Total		19,126	\$4,711,526	565	\$214,813

^a Cost share reported on the general ledgers.

^b Transactions found to be outside of awards' periods of performance.

Source: OIG generated based on an analysis of reported expense transactions provided by the Department for the eight awards reviewed for this audit.

According to the INL GO, officials from one award recipient stated that the organization included costs for products developed under previous initiatives because the products would be useful to the current project. However, OIG determined that the award agreement did not authorize pre-award costs. When OIG brought the questioned costs to the GO's attention, the GO agreed that the expenditures were not allowable and directed the recipient to remove the expenditures incurred outside of the award's period of performance. The recipient resubmitted the SF-425s and general ledger, which did not include the \$18,150. Because the GO took action and resolved the noncompliance OIG is not making a recommendation to address the matter.

In another instance, OIG found that the award recipient had incurred costs that were outside of an award's period of performance for a different Government award, which was also identified

³² FAD, Chapter 3, Section B, "Pre-Award Costs" (October 2018 and later revisions).

³³ To determine if the transactions reported on the general ledgers were within the respective awards period of performance, OIG applied a filter to the date field of each document.

by the award recipient's independent auditor.³⁴ Finally, the third award recipient reported costs incurred before the period of performance for equipment procured for a different project. Award recipient officials for this stated that they believed that the equipment would be useful for the Department's project. However, OIG noted that the award agreement did not authorize pre-award costs.

Inaccurate Recipient Reporting on SF-425s

According to the FAD,³⁵ when reviewing the SF-425, the GO or the GOR should ensure that the amount of funds that the recipient reports as having received matches payment records as closely as possible, and the amount of funds expended is commensurate with the work accomplished on the award. Additionally, the GOR is responsible for reviewing the award recipient reports to ensure that they are timely and complete.³⁶

OIG reviewed the 36 SF-425s submitted during the scope period for the 8 selected awards and found that 8 SF-425s (22 percent) included an incomplete or incorrect cost-share amount, as shown in Table 5.

Table 5: Number of SF-425s With Errors for Eight Selected Awards

Award	Number of SF-425s Submitted During Scope Period	Number of SF-425s With Errors
SINLEC19GR0342	5	1 ^a
SINLEC19GR0359	5	0
SSJTIP19GR0004	7	0
SSJTIP20GR0008	4	1 ^b
SNEAAC19CA0037	5	0
SNEACA19CA0068	4	3 ^b
SPRMCO19CA0099	4	3 ^b
SPRMCO20CA0101	2	0
Total	36	8

^a Error in the cumulative amount reported.

^b No cost-share amount reported on the SF-425, although a cost-share amount was recorded on the general ledger.

Source: OIG generated based on an analysis of SF-425s provided by the Department for the eight awards reviewed for this audit.

³⁴ International Rescue Committee, INC. and Subsidiaries Consolidated Financial Statements and Supplementary Information on Federal Awards Programs (With Independent Auditors' Report and Reports on Internal Control and on Compliance Thereon) (September 30, 2019).

³⁵ FAD, Chapter 4, Section D.1, "Financial Reporting" (October 2018 and later revisions).

³⁶ FAD, Chapter 2, Section P, "Grants Officer Designates Grants Officer Representative (GOR)" (October 2018 and later).

For example, the SF-425 for one cooperative agreement did not identify any costs funded by the recipient as required by the award, even though the period of performance for the award was completed. Specifically, the award required the recipient to fund \$1,095,585 in costs. The GO stated that after OIG selected this award for review, he rejected the recipient's final SF-425 and requested that the recipient resubmit the report with the cost-share amount included, which the award recipient eventually did. The GO stated that he believed the award recipient's failure to report any cost-sharing amount was an oversight. Similarly, OIG found that the SF-425 for another cooperative agreement did not report any of the required cost-share amount, totaling \$1,596,395, until the final SF-425 had been submitted. Based on OIG's review of the award recipient's accounting records, OIG determined that the cost-share amounts were incurred in earlier quarters and should have been reported on the SF-425s for those quarters. Lastly, OIG found that one of the grants selected for review did not report any cost-share amount on its first SF-425, although the audit team subsequently found that shared costs were incurred during that reporting period.

Internal Controls Need Improvement

OIG determined that the identified deficiencies related to cost-sharing occurred, in part, because of weaknesses in the Department's system of internal controls that is meant to discover and correct errors during award execution. For example, monitoring plans were not tailored to awards, monitoring controls were not adjusted when the COVID-19 pandemic prevented site visits, and GOR training did not provide adequate instruction overseeing cost-share requirements. Furthermore, GOs and GORs lacked clarity related to their responsibilities for monitoring financial aspects of awards. Until the internal control deficiencies identified are corrected, the Department will not have reasonable assurance that cost-sharing requirements are being fulfilled in accordance with Federal requirements and award agreements.

Monitoring Plans

According to the FAD, every award must have a written monitoring plan that is appropriate to the award and tied to the risk assessment, as well as include the frequency and types of monitoring mechanisms to be reviewed.³⁷ The FAD also states that the responsibility to develop the monitoring plan is shared by both the GO and GOR. OIG reviewed the monitoring plans for the eight selected awards and found that none of them included detailed monitoring activities that would enable GOs or GORs to oversee the financial aspects of the awards, including cost sharing. Overall, the plans lacked sufficient details to be applied practically and did not include alternate means of oversight, such as virtual desk audits, when site visits could not be conducted. Additionally, none of the plans described monitoring activities that would allow the GO or GOR to determine if the amount of funds expended by the recipient was commensurate with the work accomplished on the award. For example, some plans stated that monitoring activities would be performed "as needed," with no additional details. Furthermore, none of the monitoring plans included activities to monitor cost-sharing.

³⁷ FAD, Chapter 2, Section O, "Develop a Monitoring Plan" (October 2018 and later revisions).

The Department provides a monitoring plan template for bureaus and offices to use.³⁸ OIG found that the template included a checklist of monitoring activities that users can select from (i.e., pre-award site visit, communication, event monitoring, reporting required from recipient, and site visits). However, users are not required to provide details of the selected monitoring activities, such as how the activity will be implemented or how often the control will be performed.³⁹

In addition, the FAD does not presently require GOs and GORs to include alternate oversight actions that could be used to mitigate unforeseen circumstances that might prevent the accomplishment of oversight actions contained in the monitoring plans. According to an OPE official, a monitoring plan should be treated as a “living document” that GORs should update as situations change. However, OIG noted that none of the monitoring plans had been updated to reflect limitations and travel restrictions caused by the COVID-19 pandemic.

By not preparing adequate monitoring plans, the responsible bureaus missed an opportunity to prescribe specific monitoring actions that could have been used to oversee compliance with cost-sharing requirements. OIG is therefore offering the following recommendations.

Recommendation 1: OIG recommends that the Bureau of Administration amend the Federal Assistance Directive to include a requirement that Grants Officers and Grants Officer Representatives detail in the monitoring plan the specific monitoring activities that will be performed, including monitoring cost-share amounts.

Management Response: OPE concurred with the recommendation.

OIG Reply: On the basis of OPE’s concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that OPE has amended the FAD to include a requirement that GOs and GORs detail in the monitoring plan the specific monitoring activities that will be performed, including monitoring cost-share amounts.

Recommendation 2: OIG recommends that the Bureau of Administration update the monitoring plan template to include a requirement for users to detail the specific monitoring activities that will be performed, including monitoring cost-share amounts.

Management Response: OPE concurred with the recommendation.

OIG Reply: On the basis of OPE’s concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that OPE has updated the monitoring

³⁸ The OPE monitoring plan template can be found on an OPE intranet site.

³⁹ Of the four selected bureaus involved with this audit, OIG found that that the monitoring plan template used by NEA provided the greatest detail. Specifically, NEA’s template included separate sections to capture pre-award, initial award, and post award monitoring activities. Moreover, each section included an area for users to detail the methodology that would be used for monitoring, including who would perform the activities.

plan template to include a requirement for users to detail the specific monitoring activities that will be performed, including monitoring cost-share amounts.

Recommendation 3: OIG recommends that the Bureau of Administration amend the Federal Assistance Directive to require that Grants Officers and Grants Officer Representatives include alternative oversight actions in a monitoring plan if planned activities cannot be performed as originally intended.

Management Response: OPE concurred with the recommendation.

OIG Reply: On the basis of OPE's concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that OPE has amended the FAD to require that GOs and GORs include alternative oversight actions in a monitoring plan if planned activities cannot be performed as originally intended.

Site Visits

Site visits are an opportunity to confirm support for expenditures, including expenditures related to cost-sharing. According to the FAD, the Federal assistance team may conduct site visits or virtual desk audits to review recipient records, performance, organizational procedures, and financial control systems.⁴⁰ A site visit is generally scheduled because it was planned for in the monitoring plan, based on the pre-award risk assessment. A significant portion of site visits concern financial oversight.

GOs for all eight awards stated that cost verifications are normally conducted during site visits. However, site visits were not conducted for five of eight selected awards due to travel restrictions related to the COVID-19 pandemic. In addition, two of the three site visits that were performed were pre-award visits, which means that costs had not been incurred. Of the eight awards selected, only one had a site visit performed after the award was made. Specifically, in November 2019, the GOR and a post official made a site visit to one of the PRM awardees. However, the site visit report indicates that Department officials focused on programmatic issues (e.g., the status of project objectives, obstacles, and health-related challenges) rather than financial oversight. The site visit report included minimal information related to the financial aspects of the award (such as reviewing support for cost-share amounts).

The Department added virtual monitoring, or desk audits, to the FAD in FY 2021 to supplement site visits.⁴¹ Absent site visits, Federal assistance teams can perform oversight by conducting desk monitoring or spot-checking expense items and requesting supporting documents to verify cost-share amounts reported on the SF-425.⁴² However, OIG found that desk monitoring had

⁴⁰ FAD, Chapter 4, Section D.5, "Site Visits" (October 2018 and later revisions). Note that virtual desk audits were not included in the FAD until October 2020.

⁴¹ FAD, Chapter 4, Section D.5, "Site Visits," (October 2020).

⁴² FAD, Chapter 4, Section D.1, "Financial Reporting;" Section D.4, "Desk Monitoring" (October 2018 and later revisions).

not been performed for any of the eight selected awards, despite GOs and GORs being unable to conduct in-person site visits due to travel restrictions. For example, none of the selected GOs requested supporting documents, such as general ledgers and expense receipts, to verify costs reported by recipients on SF-425s. In addition, OPE has not developed a checklist that is specific to desk audits when in-person visits cannot be performed. Although GOs and GORs can use the standard OPE checklist to perform a desk audit, the current checklist does not include procedures to test financial transactions, such as cost-share amounts reported, to determine if costs are allowable.⁴³ OIG is therefore offering the following recommendations.

Recommendation 4: OIG recommends that the Bureau of Administration amend the Federal Assistance Directive to require that financial monitoring conducted by Grants Officers and Grants Officer Representatives include expense sampling based on the risk assessment. Expense sampling should verify that expenses are supported and incurred within the period of performance, and that cost-share expenses (if applicable) are supported.

Management Response: OPE concurred with the intent of the recommendation but requested that OIG revise the recommendation to state that the Bureau of Administration should amend the FAD to require that financial monitoring include expense sampling based on the risk assessment. OPE's stated that it would concur with the suggested revision and will develop a risk-based framework for financial monitoring to include in the FAD.

OIG Reply: Because OIG agrees that expense sampling for verification should be based on risk level, OIG revised the recommendation in a draft of this report as requested.⁴⁴ OPE's suggested changes to the recommendation will require sampling of award expenses as part of the financial monitoring based on risk assessment. The suggested changes meet the intent of the recommendation. Therefore, on the basis of OPE's concurrence with the revised recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that OPE has amended the FAD to require that financial monitoring conducted by GOs and GORs include expense sampling based on the risk assessment. Expense sampling should verify that expenses are supported and incurred within the period of performance, and that cost-share expenses (if applicable) are supported.

Recommendation 5: OIG recommends that the Bureau of Administration modify the standard site visit checklist to include a section on recipient expense sampling based on the

⁴³ NEA and TIP modified the site visit checklist to include a section for testing transactions.

⁴⁴ The recommendation included in the draft report was "OIG recommends that the Bureau of Administration amend the Federal Assistance Directive to require that the Grants Officer Representatives spot-check recipient expense items to verify support. As part of the Directive, Grants Officer Representatives should be required to assess transaction dates to identify costs incurred outside of an award's period of performance. In addition, the Directive should require that Grants Officer Representatives verify the cost-share amounts reported by the award recipient."

assessment. Expense sampling should verify that expenses are supported and incurred within the period of performance, and that cost-share expenses (if applicable) are supported.

Management Response: OPE concurred with the intent of the recommendation but requested that OIG revise the recommendation to state that the Bureau of Administration should modify the standard site visit checklist to include a section on recipient expense sampling based on the risk assessment. OPE stated that it would concur with the suggested revision and would develop a risk-based framework for financial monitoring to include in the site visit checklist.

OIG Reply: Because OPE agreed to update the FAD to require a risk-based framework for financial monitoring and will update the standard site visit checklist to include this requirement, OIG revised the recommendation offered in a draft of this report as requested.⁴⁵ Therefore, on the basis of OPE's concurrence with the revised recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that OPE has modified the standard site visit checklist to include a section on recipient expense sampling based on the risk assessment. Expense sampling should verify that expenses are supported and incurred within the period of performance, and that cost-share expenses (if applicable) are supported.

Recommendation 6: OIG recommends that the Bureau of Administration amend the Federal Assistance Directive to include a requirement that Grants Officers and Grants Officer Representatives use the modified standard site visit checklist (Recommendation 5) during an in-person site visit or during a desk audit when an in-person site visit cannot be performed.

Management Response: OPE concurred with the recommendation.

OIG Reply: On the basis of OPE's concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that OPE has amended the FAD to include a requirement that GOs and GORs use the modified standard site visit checklist (developed in response to Recommendation 5) during an in-person site visit or during a desk audit when an in-person site visit cannot be performed.

In addition to the deficiencies identified during this audit involving monitoring the cost-share activities of award recipients, OIG attended the courses that GORs are required to complete to determine whether GOR training included sufficient guidance on overseeing cost-sharing

⁴⁵ The recommendation included in the draft report was "OIG recommends that the Bureau of Administration modify the standard site visit checklist to include a section on financial transaction testing. As part of the modification, the Bureau of Administration should include a section on verifying cost-share amounts reported in the quarterly SF-425, Federal Financial Report."

expenditures.⁴⁶ OIG determined that the required courses do not provide sufficient training related to overseeing the cost-sharing activities of the award recipients. Specifically, the training does not specify the supporting documentation that the GOR should request from the award recipient to verify cost-share expenses and how to review those documents to ensure award agreements are being fulfilled. To address this deficiency, OIG offers the following recommendation.

Recommendation 7: OIG recommends that the Bureau of Administration develop training for Grants Officer Representatives related to verifying that cost-share commitments have been met, when applicable.

Management Response: OPE concurred with the intent of the OIG's recommendation but requested that OIG revise the recommendation to state that the Bureau of Administration should develop training for GORs to verify that cost-share commitments have been met.

OIG Reply: Because cost-share commitments include more than sample verification of expenses and the suggested changes by OPE improve the recommendation for training, OIG revised the recommendation in a draft of this report as requested.⁴⁷ Therefore, on the basis of OPE's concurrence with the revised recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that OPE has developed training for GORs related to verifying that cost-share commitments have been met, when applicable. The training should specify the supporting documentation that GORs should request from the award recipient to verify that cost share expenses and explains how to review those documents.

Lack of Clarity Related to Responsibilities

According to the FAD, "the GO and GOR are responsible for monitoring the financial capability, stability, funds management of the recipient, and the actual expenditures on the award activity."⁴⁸ A thorough review of submitted SF-425s by GOs or GORs would provide the Department with a level of assurance that recipients are meeting cost-sharing requirements. Importantly, such review and scrutiny, when used in conjunction with other monitoring tools, could be a deterrent against fraud, waste, or abuse. However, six of eight selected GORs stated that monitoring the financial aspects of the award, including cost-share amounts, should be performed by the GO. Six of eight selected GOs agreed that monitoring the financial aspects of

⁴⁶ Virtual Foreign Service Institute courses assessed were PY472, "Financial Assistance: Pre-Award;" PY474, "Financial Assistance: Award;" PY476, Financial Assistance: Post Award;" PY478, "Financial Assistance: Closeout;" PY220, "Introduction to Grants and Cooperative Agreements;" and PY222, "Monitoring Grants and Cooperative Agreements."

⁴⁷ The recommendation included in the draft report was "OIG recommends that the Bureau of Administration develop training for Grants Officer Representatives that specifies the supporting documentation that Grants Officer Representatives should request from the award recipient to verify that cost-share expenses are accurate and complete and explains how to review those documents to ensure that award agreements are being fulfilled."

⁴⁸ FAD, Chapter 4, Section D.1, "Financial Reporting" (October 2018 and later revisions).

the award is the GO's responsibility, while the GOs for TIP stated that they train TIP's GORs to spot-check financial records and report deficiencies to the GO.

OIG reviewed the GOR designation memoranda⁴⁹ for the eight awards reviewed for this audit. OIG determined that the OPE sample GOR designation memorandum,⁵⁰ which was used to establish roles and responsibilities for the GORs in the oversight of award activities, did not clearly articulate that the GOR and the GO have a shared responsibility in monitoring the financial aspects of the award including cost-share amounts. OIG is therefore offering the following recommendation.

Recommendation 8: OIG recommends that the Bureau of Administration modify the Grants Officer Representative standard designation memorandum template to clearly articulate Grants Officer Representative responsibilities with respect to monitoring the financial aspects of an award, including cost-share amounts.

Management Response: OPE concurred with the recommendation.

OIG Reply: On the basis of OPE's concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that OPE has modified the GOR standard designation memorandum template to clearly articulate GOR responsibilities with respect to monitoring the financial aspects of an award, including cost-share amounts.

Questioned Costs

As a result of the designated GOs' and GORs' insufficient monitoring of the award recipients' financial reporting processes and expenses reported for the eight awards reviewed for this audit, the Department did not have full assurance that award recipients expended award funds in accordance with Federal requirements. Furthermore, had the designated GOs or GORs adequately reviewed cost-share amounts reported on the SF-425s and performed periodic spot-checks on expenses incurred, they would have likely recognized that some award recipients did not track cost-share amounts and were not maintaining adequate supporting documentation, as required. During the audit, OIG identified \$214,813 in unallowable costs for expenses incurred outside of an award's period of performance and \$46,306 in unsupported costs. (See Appendix B: Questioned Costs Identified During the Audit.) OIG is therefore offering the following recommendations to assess and recover amounts determined to be unallowable and unsupported.

Recommendation 9: OIG recommends that the Bureau of Population, Refugees, and Migration (PRM) determine whether the \$87,242 in unallowable cost-share amounts incurred outside of the period of performance for cooperative agreement

⁴⁹ The GOR is designated, in writing, by the GO to oversee certain aspects of a specific assistance agreement. The GOR's authorities, responsibilities, and limitations are listed in the designation memoranda.

⁵⁰ The OPE sample designation memorandum can be found on the OPE intranet site.

SPRMC019CA0099 (see Table B.1) are allowable and (b) recover any costs determined to be unallowable.

Management Response: PRM concurred with the recommendation, stating that it has worked with the recipient to determine whether the amount identified by OIG was unallowable. PRM also stated that the recipient had submitted preliminary final financial reporting showing a reduction in cost-share expenditures. PRM plans to require the recipient to provide a revised transaction file that shows the allowable costs.

OIG Reply: On the basis of PRM's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that PRM has determined whether the amount of unallowable costs identified by OIG is allowable and has recovered any costs determined to be unallowable.

Recommendation 10: OIG recommends that the Under Secretary for Civilian, Security, Democracy, and Human Rights, Office to Monitor and Combat Trafficking in Persons (TIP), (a) determine whether the \$109,421 in unallowable cost-share amounts incurred outside of the period of performance for grant SSSJTIP20GR0008 (see Table B.1) are allowable and (b) recover any costs determined to be unallowable.

Management Response: TIP concurred with the recommendation, stating that the GO worked with the recipient to identify costs totaling \$111,305 that were outside the period of performance. The recipient's current Federal Financial Reports reflect a reduction in the amount of reported cost share.

OIG Reply: On the basis of TIP's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that TIP has determined whether the amount of unallowable costs identified by OIG is allowable and has recovered any costs determined to be unallowable.

Recommendation 11: OIG recommends that the Under Secretary for Civilian Security, Democracy, and Human Rights, Office to Monitor and Combat Trafficking in Persons, (a) determine whether the \$37,576 in unsupported cost-share amounts reported for grant SSJTIP20GR0008 (see Table B.1) are supported and allowable and (b) recover any costs determined to be unsupported and unallowable.

Management Response: TIP concurred with the recommendation, stating that it had contacted the recipient to obtain supporting documentation for the unsupported costs.

OIG Reply: On the basis of TIP's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that TIP has determined whether the amount of unsupported costs identified by OIG is supported and allowable and has recovered any costs determined to be unsupported and unallowable.

Recommendation 12: OIG recommends that the Under Secretary for Civilian Security, Democracy, and Human Rights, Office to Monitor and Combat Trafficking in Persons, (a) determine whether the \$8,730 in unsupported cost-share amounts reported for grant SSJTIP19GR0004 (see Table B.1) are supported and (b) recover any costs determined to be unsupported.

Management Response: TIP concurred with the recommendation, stating that it had contacted the recipient to obtain supporting documentation for the unsupported costs.

OIG Reply: On the basis of TIP's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that TIP has determined whether the amount of unsupported costs identified by OIG is supported and has recovered any costs determined to be unsupported.

RECOMMENDATIONS

Recommendation 1: OIG recommends that the Bureau of Administration amend the Federal Assistance Directive to include a requirement that Grants Officers and Grants Officer Representatives detail in the monitoring plan the specific monitoring activities that will be performed, including monitoring cost-share amounts.

Recommendation 2: OIG recommends that the Bureau of Administration update the monitoring plan template to include a requirement for users to detail the specific monitoring activities that will be performed, including monitoring cost-share amounts.

Recommendation 3: OIG recommends that the Bureau of Administration amend the Federal Assistance Directive to require that Grants Officers and Grants Officer Representatives include alternative oversight actions in a monitoring plan if planned activities cannot be performed as originally intended.

Recommendation 4: OIG recommends that the Bureau of Administration amend the Federal Assistance Directive to require that financial monitoring conducted by Grants Officers and Grants Officer Representatives include expense sampling based on the risk assessment. Expense sampling should verify that expenses are supported and incurred within the period of performance, and that cost-share expenses (if applicable) are supported.

Recommendation 5: OIG recommends that the Bureau of Administration modify the standard site visit checklist to include a section on recipient expense sampling based on the assessment. Expense sampling should verify that expenses are supported and incurred within the period of performance, and that cost-share expenses (if applicable) are supported.

Recommendation 6: OIG recommends that the Bureau of Administration amend the Federal Assistance Directive to include a requirement that Grants Officers and Grants Officer Representatives use the modified standard site visit checklist (Recommendation 5) during an in-person site visit or during a desk audit when an in-person site visit cannot be performed.

Recommendation 7: OIG recommends that the Bureau of Administration develop training for Grants Officer Representatives related to verifying that cost-share commitments have been met, when applicable.

Recommendation 8: OIG recommends that the Bureau of Administration modify the Grants Officer Representative standard designation memorandum template to clearly articulate Grants Officer Representative responsibilities with respect to monitoring the financial aspects of an award, including cost-share amounts.

Recommendation 9: OIG recommends that the Bureau of Population, Refugees, and Migration (PRM) determine whether the \$87,242 in unallowable cost-share amounts incurred outside of the period of performance for cooperative agreement SPRMCO19CA0099 (see Table B.1) are allowable and (b) recover any costs determined to be unallowable.

Recommendation 10: OIG recommends that the Under Secretary for Civilian, Security, Democracy, and Human Rights, Office to Monitor and Combat Trafficking in Persons (TIP), (a) determine whether the \$109,421 in unallowable cost-share amounts incurred outside of the period of performance for grant SSSJTIP20GR0008 (see Table B.1) are allowable and (b) recover any costs determined to be unallowable.

Recommendation 11: OIG recommends that the Under Secretary for Civilian Security, Democracy, and Human Rights, Office to Monitor and Combat Trafficking in Persons, (a) determine whether the \$37,576 in unsupported cost-share amounts reported for grant SSJTIP20GR0008 (see Table B.1) are supported and allowable and (b) recover any costs determined to be unsupported and unallowable.

Recommendation 12: OIG recommends that the Under Secretary for Civilian Security, Democracy, and Human Rights, Office to Monitor and Combat Trafficking in Persons, (a) determine whether the \$8,730 in unsupported cost-share amounts reported for grant SSJTIP19GR0004 (see Table B.1) are supported and (b) recover any costs determined to be unsupported.

APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

The Office of Inspector General (OIG) conducted this audit to determine whether recipients of selected Department of State (Department) grants and cooperative agreements complied with cost-sharing requirements in accordance with the award agreements.

OIG conducted this audit from January to October 2021 in the Washington, DC, metropolitan area. The scope of this audit was grants and cooperative agreements containing cost-sharing requirements that were awarded between October 1, 2018, and September 30, 2020. OIG performed audit work at four selected bureaus or offices: Bureau of International Narcotics and Law Enforcement Affairs (INL); Under Secretary for Civilian, Security, Democracy, and Human Rights, Office to Monitor and Combat Trafficking in Persons (TIP); Bureau of Near Eastern Affairs (NEA); and Bureau of Population, Refugees, and Migration (PRM). OIG conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objective.

To obtain background information, OIG researched and reviewed Federal laws and regulations, including Title II of the Code of Federal Regulations, Part 200, Department policies and procedures, and the standard terms and conditions included in awards that pertain to the oversight responsibilities of Grants Officers (GO) and Grants Officer Representatives (GOR) and to the cost-sharing and reporting requirements. To gain an understanding of the audit topic, OIG assessed the oversight tools used by GOs and GORs, such as site visit worksheets, risk assessments, and monitoring plans. OIG also conducted interviews with Federal assistance officials, including GOs and GORs, and reviewed available supporting documentation provided by the selected Federal assistance award recipients and Department officials.

Data Reliability

OIG used computer-processed data to support findings and conclusions presented in this report. Specifically, OIG used data from the State Assistance Management System (SAMS). SAMS is the Department's Federal financial assistance management system that was developed to unify the Department's Federal assistance processes and provide greater transparency, accountability, and reporting capabilities to assistance-awarding bureaus and posts. All of the Department's domestically executed and obligated Federal awards must be issued and managed using SAMS Domestic.

SAMS Domestic incorporates the components of Form DS-4012¹ and is the official Federal award record for all of the Department's domestic awards issued after April 1, 2015, or for the

¹ DS-4012, The Federal Assistance File, is mandatory for domestic and overseas GOs. The paper version is no longer required because the e-4012 is automatically generated by SAMS.

actions taken on awards that were amended after April 1, 2015. The system serves as an electronic file folder.

The Bureau of Administration, Office of the Procurement Executive, provided OIG with two reports from SAMS that included all grants with a cost-sharing component awarded by the Department during FY 2019 and FY 2020. To validate the data, OIG ran additional queries in SAMS to identify possible missing information. OIG also reviewed the data to ensure that the target universe was within the scope period and projected subtotals to ensure validity and consistency. Additionally, for selected awards, OIG reviewed records in SAMS to determine whether the GOR had included required documentation. As a result of this work, OIG determined that the SAMS data were sufficiently reliable to fulfill the audit objective.

Work Related to Internal Control

OIG considered several factors, including the audit's subject matter, to determine whether internal control was significant to the audit objective. Based on its consideration, OIG determined that internal control was significant to this audit. OIG then considered the components of internal control and the underlying principles included in the *Standards for Internal Control in the Federal Government*² to identify internal controls that were significant to the audit objective. Considering internal control in the context of a comprehensive internal control framework can help auditors determine whether underlying internal control deficiencies exist.

For this audit, OIG concluded that three of five internal control components from the *Standards for Internal Control in the Federal Government* were significant to the audit objective—Control Environment, Control Activities, and Monitoring. The Control Environment component is the foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives. The Control Activities component includes the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity's information system. The Monitoring component relates to activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews. OIG also concluded that six of the principles related to the selected components were significant to the audit objective as described in Table A.1.

² Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

Table A.1: Internal Control Components and Principles Identified as Significant

Components	Principles
Control Environment	The oversight body should oversee the entity's internal control system.
Control Environment	Management should establish structure, assign responsibility, and delegate authority.
Control Activities	Management should design control activities to achieve objectives and respond to risks.
Control Activities	Management should implement control activities through policies.
Monitoring	Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
Monitoring	Management should remediate identified internal control deficiencies on a timely basis.

Source: OIG generated from an analysis of internal control components and principles from the Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

OIG then reviewed criteria, conducted interviews with Department officials, and reviewed award documentation to obtain an understanding of the internal controls related to the components and principles identified as significant for this audit. OIG performed procedures to assess design, implementation, and operating effectiveness of key internal controls. Specifically, OIG:

- Determined whether GOR training adequately provided guidance on the oversight of awards with cost sharing included.
- Ensured that GORs have delegation memoranda in place.
- Determined whether control activities were in place and were designed to achieve objectives.
- Determined whether GOs and GORs were verifying reported cost-sharing amounts.
- Determined whether selected cost-sharing expenses were supported with adequate documentation.

Internal control deficiencies identified during the audit that are significant within the context of the audit objective are presented in the Audit Results section of this report.

Sampling Methodology

OIG's sampling objective was to determine whether recipients of selected Department grants and cooperative agreements complied with cost-sharing requirements in the award agreements.

Selection of Bureaus and Offices

OIG determined that of the 2,995 grants and cooperative agreements awarded by 27 of the Department's bureaus and offices during FY 2019 and FY 2020, 296 included a cost-sharing component, totaling \$60,837,889.

Using a risk-based method, OIG selected four bureaus or offices. Specifically, OIG considered three factors: (1) proportion of the awards made by the bureau or office that had a cost-share component,³ (2) The cutoff of mean of the total number of cost share awards by bureau,⁴ and (3) the amount of recipient cost share.⁵ As shown in Table A.2, OIG selected four bureaus or offices that had a total risk score of two or greater.⁶

Table A.2: Selection of Bureaus and Offices

Bureau/Office	Risk Score	Number of Awards	Number of Awards With Cost Share	Total Recipient Cost Share
INL	3	135	32	\$9,032,459
NEA	3	115	17	\$7,151,749
PRM	2	502	12	\$6,770,531
TIP	3	59	17	\$3,816,423

Source: Generated by OIG using award data provided by the Department and OIG's sample selection methodology.

Selection of Awards

OIG used predefined selection criteria⁷ to select eight awards from the four bureaus and offices. Specifically, OIG selected the two awards with the largest recipient cost-share amounts at each of the four bureaus and offices,⁸ for a total of eight awards, valued at \$8,057,558. The selections were made so OIG could perform testing to determine whether the bureaus and offices maintained proper oversight of cost-sharing requirements. Table A.3 presents the awards selected for review, the bureau involved, the award recipient cost-share amount, and the award performance period.

³ OIG determined the proportion of awards made by each bureau and office that had a cost-share component. OIG focused on bureaus and offices with a higher percentage of use. Specifically, OIG assigned bureaus and offices that had a proportion greater than 14.544 (which was the average calculated overall within the Department) with a risk factor of 1. Other bureaus and offices were assigned a risk factor of 0.

⁴ OIG determined the number of awards made by each bureau and office that had a cost-share component. OIG focused on bureaus and offices with a higher number of cost-share awards. Specifically, OIG assigned bureaus and offices that had more than 5.592 (which was the average number overall within the Department) with a risk factor of 1. Other bureaus and offices were assigned a risk factor of 0.

⁵ OIG determined the amount of agreed-upon, recipient cost-sharing for each bureau and office. OIG focused on bureaus and offices with a higher amount of recipient cost sharing. Specifically, OIG assigned bureaus and offices that had more than \$2,279,018 (which was the average amount within the Department) with a risk factor of 1. Other bureaus and offices were assigned a risk factor of 0.

⁶ To select the four bureaus or offices, OIG sorted all bureaus and offices with a risk score of 2 or greater by recipient cost-share amounts and chose the largest four organizations.

⁷ This selection process is also known as judgmental sampling, which is when the selection of units is by a method that is not based on the theory of probability.

⁸ OIG initially selected two awards for testing that did not have a sufficient period of performance to review. OIG replaced those awards with another award from the same bureau or office.

Table A.3: Selection of Awards

Award	Bureau/Office	Recipient Cost Share Amount	Start Date	End Date
SINLEC19GR0359	INL	\$1,047,154	9/25/2019	9/25/2021
SINLEC19GR0342	INL	\$713,652	9/30/2019	9/30/2021
SSJTIP19GR0004	TIP	\$732,290	4/1/2019	3/31/2022
SSJTIP20GR0008	TIP	\$660,337	3/1/2020	2/28/2023
SNEACA19CA0068	NEA	\$1,596,395	10/1/2019	9/30/2020
SNEAAC19CA0037	NEA	\$617,732	10/1/2019	9/20/2024
SPRMC019CA0099	PRM	\$2,207,752	8/1/2019	6/30/2020
SPRMC020CA0101	PRM	\$1,594,413	8/10/2020	7/31/2021

Source: Generated by OIG using award data provided by the Department and OIG's sample selection methodology.

Transaction Testing of Selected Grants and Cooperative Agreements

OIG used predefined criteria to select specific transactions to test for each award. OIG requested that each recipient provide a general ledger spreadsheet, or equivalent documentation, from its accounting system that totaled the amount reported as the cumulative recipient share of expenditures on the SF-425 for the quarter ending December 31, 2020 (or for the last quarter of performance if the award ended before December 31, 2020). Specifically, OIG judgmentally selected between 10 and 14 expense transactions associated with each award for testing, a total of 89 transactions, valued at \$455,865. OIG judgmentally⁹ determined the appropriate sample size for each award and selected the transactions from different budget categories. OIG considered the type (e.g., salary, travel, supplies, contractual, and other direct expenses) and amount of each expenditure when making the selection for review. Table A.4 presents the selection of transactions by award, the bureau involved, along with the number and amount of the transactions reviewed for this audit.

⁹ OIG judgmentally selected transactions from the general ledgers based on high-dollar amount, costs not included in the awards approved budget, and unusual fringe benefits.

Table A.4: Selection of Transaction Records

Award	Bureau	Number of Transactions	Amount of Transactions
SINLEC19GR0342	INL	10	\$6,581
SINLEC19GR0359	INL	10	\$50,090
SSJTIP19GR0004	TIP	14	\$233,243
SSJTIP20GR0008	TIP	13	\$41,194
SNEAAC19CA0037	NEA	11	\$38,554
SNEACA19CA0068	NEA	11	\$28,885
SPRMCO19CA0099	PRM	10	\$21,277
SPRMCO20CA0101	PRM	10	\$36,041
Total		89	\$455,865

Source: Generated by OIG using award data provided by the Department and OIG's sample selection methodology.

Prior Office of Inspector General Reports

OIG reported in the *Audit of Department of State Grants and Cooperative Agreements Awarded to Kennesaw State University* (AUD-SI-17-43, June 2017) that Kennesaw State University did not always maintain documentation to demonstrate that cost-sharing expenditures were made in accordance with Federal requirements and the terms and conditions of the awards. As of August 2021, the four recommendations made in this report had been implemented and closed.

OIG reported in the *Information Report: Systemic Weaknesses Related to the Administration and Oversight of Department of State Contracts and Federal Assistance from FY 2017 to FY 2019* (AUD-CGI-20-44, September 2020) that the Department had a systemic weakness related to Federal assistance oversight. From FY 2017 through FY 2019, OIG issued 51 reports that identified weaknesses related to the Department's administration and oversight of Federal assistance awards that identified approximately \$41.8 million in potential monetary benefits. The deficiencies identified in these reports occurred, in large part, because of insufficient oversight of GOs and GORs and the bureau or office management officials involved. The weaknesses were also attributed, in part, to insufficient training and experience of the personnel charged with award administration. This report did not make formal recommendations but encouraged senior officials to examine policies and procedures and establish strategies for improving its oversight workforce.

APPENDIX B: QUESTIONED COSTS IDENTIFIED DURING THE AUDIT

The Office of Inspector General (OIG) selected eight awards with a cost-sharing component to test allowable expenses from the Bureau of International Narcotics and Law Enforcement Affairs (INL); the Under Secretary for Civilian Security, Democracy, and Human Rights, Office to Monitor and Combat Trafficking in Persons (TIP); the Bureau of Near Eastern Affairs (NEA); and the Bureau of Population, Refugees, and Migration (PRM). For this report, OIG considered unsupported costs as a transaction for which documentation was not provided to support the costs reported on the general ledger and unallowable costs as transactions that occurred outside the period of performance. OIG identified \$46,306 in unsupported and \$214,813 in unallowable costs within the awards periods of performance, as shown in Table B.1.

Table B.1: Unsupported and Unallowable Costs

Award	Bureau	Transactions With Exceptions ^a	Unsupported Costs	Transactions With Exceptions ^a	Unallowable Costs	Total Questioned Costs
SINLEC19GR0342	INL	0	\$0	1 ^d	\$18,150	\$18,150
SSJTIP19GR0004	TIP	1 ^b	\$8,730	0	\$0	\$8,730
SSJTIP20GR0008	TIP	11 ^c	\$37,576	82 ^e	\$109,421	\$146,997
SPRMCO19CA0099	PRM	0	\$0	482 ^f	\$87,242	\$87,242
Total		12	\$46,306	564	\$214,813	\$261,119

^a OIG will provide a complete list of all transactions with exceptions (including a description of how the exceptions were identified) during the compliance process.

^b Transactions are on the recipient's summary report, row labeled "Oct – Dec 19."

^c Transactions are on the recipient's general ledger, rows 5, 6, 7, 14, 15, 16, 17, 34, 35, 36, and 37 of the "OAS Salaries" tab.

^d Transaction was on the recipient's general ledger initially submitted but was subsequently removed. Therefore, OIG is not making a recommendation to recover the questioned costs.

^e Transactions are on the recipient's general ledger, rows 2–84 of the "Other Donors expense" tab.

^f Transactions with dates before July 1, 2019, and after June 30, 2020, are in the recipient's general ledger, "match cost share" tab.

Source: OIG generated based on a review of general ledgers from the award recipients and the results of audit testing for the sample of expenditures selected.

APPENDIX C: BUREAU OF ADMINISTRATION RESPONSE



United States Department of State

Washington, D.C. 20520

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November 9, 2021

MEMORANDUM

TO: OIG/AUD – Denise Colchin

FROM: A/OPE/AP – Sharon James, Acting *SJG*

SUBJECT: Draft Report - Audit of Compliance With Cost-Sharing Requirements for Selected Department of State Grants and Cooperative Agreements

Thank you for the opportunity to provide an update to the subject report. The point of contact for this report is the A/OPE Front Office (A-OPEFrontOfficeAssistants@state.gov).

Recommendation 1: OIG recommends that the Bureau of Administration amend the Federal Assistance Directive to include a requirement that Grants Officers and Grants Officer Representatives detail in the monitoring plan the specific monitoring activities that will be performed, including monitoring cost-share amounts.

Management Response to Draft Report: The Office of the Procurement Executive, Office of Acquisitions Policy, Federal Assistance Division (OPE/AP/FA) concurs with the OIG's recommendation.

Recommendation 2: OIG recommends that the Bureau of Administration update the monitoring plan template to include a requirement for users to detail the specific monitoring activities that will be performed, including monitoring cost-share amounts.

Management Response to Draft Report: The Office of the Procurement Executive, Office of Acquisitions Policy, Federal Assistance Division (OPE/AP/FA) concurs with the OIG's recommendation.

Recommendation 3: OIG recommends that the Bureau of Administration amend the Federal Assistance Directive to require that Grants Officers and Grants Officer Representatives include alternative oversight actions in a monitoring plan if planned activities cannot be performed as originally intended.

Management Response to Draft Report: The Office of the Procurement Executive, Office of Acquisitions Policy, Federal Assistance Division (OPE/AP/FA) concurs with the OIG's recommendation.

Recommendation 4: OIG recommends that the Bureau of Administration amend the Federal Assistance Directive to require that the Grants Officer Representatives spot-check recipient expense items to verify support. As part of the Directive, Grants Officer Representatives should

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be required to assess transaction dates to identify costs incurred outside of an award's period of performance. In addition, the Directive should require that Grants Officer Representatives verify the cost-share amounts reported by the award recipient.

Management Response to Draft Report: The Office of the Procurement Executive, Office of Acquisitions Policy, Federal Assistance Division (OPE/AP/FA) concurs with the intent of the recommendation. OPE/AP/FA requests that the OIG revise the recommendation to state that the Bureau of Administration should amend the Federal Assistance Directive to require that financial monitoring conducted by the Grants Officers and Grants Officer Representatives include expense sampling based on the risk assessment. Expense sampling should verify that expenses are supported; are incurred within the period of performance; and that cost share expenses (if applicable) are supported. OPE/AP/FA concurs with this suggested revision and will develop a risk-based framework for financial monitoring to include in the Federal Assistance Directive.

Recommendation 5: OIG recommends that the Bureau of Administration modify the standard site visit checklist to include a section on financial transaction testing. As part of the modification, the Bureau of Administration should include a section on verifying cost-share amounts reported in the quarterly SF-425, Federal Financial Report.

Management Response to Draft Report: The Office of the Procurement Executive, Office of Acquisitions Policy, Federal Assistance Division (OPE/AP/FA) concurs with the intent of the OIG's recommendation. OPE/AP/FA requests that the OIG revise the recommendation to state that the Bureau of Administration should modify the standard site visit checklist to include a section on recipient expense sampling based on the risk assessment. Expense sampling should verify that expenses are supported; are incurred within the period of performance; and that cost share expenses (if applicable) are supported. OPE/AP/FA concurs with this suggested revision and will develop a risk-based framework for financial monitoring to include in the site visit checklist.

Recommendation 6: OIG recommends that the Bureau of Administration amend the Federal Assistance Directive to include a requirement that Grants Officers and Grants Officer Representatives use the modified standard site visit checklist (Recommendation 5) during an in-person site visit or during a desk audit when an in-person site visit cannot be performed.

Management Response to Draft Report: The Office of the Procurement Executive, Office of Acquisitions Policy, Federal Assistance Division (OPE/AP/FA) concurs with the OIG's recommendation.

Recommendation 7: OIG recommends that the Bureau of Administration develop training for Grants Officer Representatives that specifies the supporting documentation that Grants Officer Representatives should request from the award recipient to verify that cost-share expenses are accurate and complete and explains how to review those documents to ensure that award agreements are being fulfilled.

Management Response to Draft Report: The Office of the Procurement Executive, Office of Acquisitions Policy, Federal Assistance Division (OPE/AP/FA) concurs with the intent of the

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OIG's recommendation. OPE/AP/FA requests for the OIG to revise the recommendation that the Bureau of Administration develop training for Grants Officer Representative to verify that cost share commitments have been met, when applicable.

Recommendation 8: OIG recommends that the Bureau of Administration modify the Grants Officer Representative standard designation memorandum template to clearly articulate Grants Officer Representative responsibilities with respect to monitoring the financial aspects of an award, including cost-share amounts.

Management Response to Draft Report: The Office of the Procurement Executive, Office of Acquisitions Policy, Federal Assistance Division (OPE/AP/FA) concurs with the OIG's recommendation.

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APPENDIX D: BUREAU OF POPULATION, REFUGEES, AND MIGRATION RESPONSE




United States Department of State
Bureau of Population, Refugees, and Migration
Washington, D.C. 20520

November 3, 2021

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MEMORANDUM

TO: OIG/AUD – Norman Brown

FROM: PRM – Nancy I. Jackson, SBO 

SUBJECT: Draft Report - *Audit of Compliance With Cost-Sharing Requirements for Selected Department of State Grants and Cooperative Agreements*

Thank you for the opportunity to provide comments on the subject draft audit report. We appreciate that the report highlights the importance of internal controls related to monitoring of the Department funds through mechanisms such as cooperative agreements with non-governmental organizations (NGOs) and the opportunities to improve and ensure adequate controls over these assistance funds. PRM will continue to strive to monitor through recipient reporting.

We have addressed the specific audit recommendation in the attachment to this letter. PRM remains committed to effective management and monitoring of humanitarian assistance programs.

Attachment:

1. Recommendations and Responses.

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Response to the Report, *Audit of Compliance With Cost-Sharing Requirements for Selected Department of State Grants and Cooperative Agreements*

Recommendations and Responses

Recommendation 9. OIG recommends that the Bureau of Population, Refugees, and Migration determine whether the \$87,242 in unallowable cost-share amounts incurred outside of the period of performance for cooperative agreement SPRMCO19CA0099 (see Table B.1) are allowable and (b) recover any costs determined to be unallowable.

PRM Response: Concur. PRM has worked with the International Refugee Committee (IRC) to determine the \$87,242 as unallowable cost-share amounts incurred outside the period of performance. IRC has made the necessary adjustments to remove unallowable amounts from their financial reporting. IRC has submitted preliminary final financial reporting showing a reduction in cost-share expenditures. PRM will require IRC to provide a revised transaction file that shows the allowable costs that support their final financial reporting upon issuance of the final Negotiated Indirect Cost Rate Agreement applicable to the reporting periods of the cooperative agreement.

APPENDIX E: OFFICE TO MONITOR AND COMBAT TRAFFICKING IN PERSONS RESPONSE



United States Department of State

Washington, D.C. 20520

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November 3, 2021

TO: OIG/AUD – Norman P. Brown

FROM: J/TIP Kari A. Johnstone, Acting Director *kej*

SUBJECT: Response to OIG Draft Report on Audit of Compliance with Cost-Sharing
 Requirements for Selected Department of State Grants and Cooperative
 Agreements

In response to the recommendations in OIG's Audit of Compliance with Cost-Sharing Requirements for selected Department of State Grants and Cooperative Agreements, the Office to Monitor and Combat Trafficking in Persons (J/TIP) took action to implement recommendations 10, 11 and 12. The attached document provides responses to each of these three recommendations, detailing the actions taken.

Attachment:

TIP Office Actions Taken in Response to OIG Audit of Compliance with Cost-Sharing

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OIG Report on Audit of Compliance with Cost-Sharing Requirements for Selected Department
of State Grants and Cooperative Agreements

**Actions Taken by the Office to Monitor and Combat Trafficking in Persons as of
October 29, 2021**

Recommendation 10: OIG recommends that the Under Secretary for Civilian, Security, Democracy, and Human Rights, Office to Monitor and Combat Trafficking in Persons, (a) determine whether the questioned costs of \$109,421 for cost-share amounts reported outside of the period of performance for grant SSJTIP20GR0008 (see Table B.1) are allowable and (b) recover any costs determined to be unallowable.

Response: The Office to Monitor and Combat Trafficking in Persons (TIP Office) reviewed the \$109,421 in costs identified by the OIG and agree that the cost-share amounts for grant number SSJTIP20GR0008 were outside the period of performance and therefore unallowable. The TIP Office's Grants Officer worked with the grant recipient to identify costs totaling \$111,305 that were outside the period of performance. The grant recipient has provided current Federal Financial Reports to reflect a reduction in the amount of reported cost share.

Recommendation 11: OIG recommends that the Under Secretary for Civilian Security, Democracy, and Human Rights, Office to Monitor and Combat Trafficking in Persons, (a) determine whether the questioned costs of \$37,576 for cost-share amounts reported for grant SSJTIP20GR0008 (see Table B.1), identified by OIG as unsupported, are supported and allowable and (b) recover any costs determined to be unsupported and unallowable.

Response: The TIP Office agrees with the recommendation that \$37,576 for cost-share amounts reported for grant SSJTIP20GR0008 did not have sufficient documentation to support the questioned cost. The TIP Office's Grants Officer contacted the grant recipient to obtain supporting documentation for the questioned cost.

Recommendation 12: OIG recommends that the Under Secretary for Civilian Security, Democracy, and Human Rights, Office to Monitor and Combat Trafficking in Persons, (a) determine whether the \$8,730 in unsupported cost-share amounts reported for grant SSJTIP19GR0004 (see Table B.1) are supported and (b) recover any costs determined to be unsupported.

Response: The TIP Office agrees with the recommendation that \$8,730 for cost-share amounts reported for grant SSJTIP20GR0004 did not have sufficient documentation to support the questioned cost. The TIP Office's Grants Officer contacted the grant recipient to obtain supporting documentation for the questioned cost.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
FAD	Federal Assistance Directive
GO	Grants Officer
GOR	Grants Officer Representative
INL	Bureau of International Narcotics and Law Enforcement Affairs
NEA	Bureau of Near Eastern Affairs
OIG	Office of Inspector General
OPE	Office of the Procurement Executive
PRM	Bureau of Population, Refugees, and Migration
SAMS	State Assistance Management System
TIP	Office to Monitor and Combat Trafficking in Persons

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