

UNCLASSIFIED



Office of Inspector General
United States Department of State

AUD-MERO-22-31

Office of Audits

July 2022

Audit of Internal Controls Managing the Procurement of Goods at U.S. Embassy Freetown, Sierra Leone

MIDDLE EAST REGION OPERATIONS

UNCLASSIFIED



HIGHLIGHTS

Office of Inspector General
United States Department of State

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What OIG Audited

In 2021, officials at U.S. Embassy Freetown, Sierra Leone, identified purchased goods that could not be used for their intended purposes and noted inventory discrepancies. As embassy officials took steps to address the identified issues, they asked the Office of Inspector General (OIG) to independently assess the procurement process at the embassy.

Accordingly, OIG conducted this audit to determine whether Embassy Freetown had implemented internal controls to manage the procurement process, including the purchase of selected goods identified by the embassy, in accordance with Department of State (Department) policies and procedures. To conduct this audit, OIG reviewed the procured items identified by the embassy, as well as selected office supplies, auto parts, and items for the Chief of Mission Residence purchased in FY 2020 and FY 2021.

What OIG Recommends

OIG made eight recommendations that are intended to improve internal controls over Embassy Freetown's procurement process. On the basis of Embassy Freetown's response to a draft of this report, OIG considers one recommendation closed, and the remaining seven recommendations resolved, pending further action. A synopsis of Embassy Freetown's comments and OIG's reply follow each recommendation in the Audit Results section of this report. Embassy Freetown's response is reprinted in its entirety in Appendix B.

July 2022

OFFICE OF AUDITS

MIDDLE EAST REGION OPERATIONS

Audit of Internal Controls Managing the Procurement of Goods at U.S. Embassy Freetown, Sierra Leone

What OIG Found

OIG found that Embassy Freetown officials took appropriate steps to address known internal control deficiencies that adversely impacted the procurement process and contributed to the purchases of goods identified by the Ambassador as unable to be used as intended. Specifically, the General Services Officer directed procurement staff to develop standard operating procedures (SOP) to guide the procurement process and began to coordinate with the Bureau of Overseas Buildings Operations on purchases made for the Chief of Mission Residence and Deputy Chief of Mission Residence. In addition, embassy officials completed an inventory of goods and corrected recordkeeping discrepancies with the furniture and appliance pool, spare auto parts, and office supplies. The deficiencies identified and addressed originated, in part, because of staffing shortages at the embassy. In response, the embassy prioritized the hiring of additional staff to support mission operations and conducted several training sessions to improve the procurement process.

Although OIG acknowledges the progress Embassy Freetown made to improve its procurement process, OIG identified key areas within the procurement process that require additional attention. Specifically, OIG found that the procurement files reviewed for this audit did not always include documentation demonstrating a bona fide need for the item purchased; a description of the purchased items, such as the brand and model number; how price was determined to be fair and reasonable; or evidence that the vendor selected had been vetted in accordance with Department policy. In addition, OIG found that embassy personnel did not consistently follow guidance regarding property disposal or document the disposal process in accordance with Department policy. These deficiencies occurred, in part, because procurement staff had not been thoroughly trained, provided detailed SOPs to guide the procurement process, or properly monitored to ensure compliance with Department procurement requirements. Correcting these deficiencies will improve Embassy Freetown's ability to comply with Department procurement requirements and avoid costly procurement errors going forward.

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OBJECTIVE

The Office of Inspector General (OIG) conducted this audit to determine whether U.S. Embassy Freetown, Sierra Leone, implemented internal controls to manage the procurement process, including the purchase of selected goods identified by the embassy, in accordance with Department of State (Department) policies, procedures, and guidance.

BACKGROUND

The Republic of Sierra Leone is a country in West Africa approximately the size of West Virginia, with a population of more than 7 million people. (Figure 1 shows the location of Sierra Leone in West Africa.) The U.S. government established diplomatic relations with the country in 1961. U.S. government goals in Sierra Leone are to advance mutual peace and security interests; increase mutually beneficial economic growth, trade, and investment, aiding the transition from aid dependency to private-sector growth; strengthen democracy, human rights, and good governance; and promote inclusive country-led development.

Figure 1: Map of West Africa



Source: Generated by OIG from Google Maps.

Ambassador Raised Concerns Over Embassy Purchases

Shortly after being confirmed as U.S. Ambassador to Sierra Leone and arriving in Freetown in March 2021, the Ambassador learned of several purchased items that could not be used for their intended purposes. He shared his concerns with OIG in June 2021.¹ In his email to OIG, the Ambassador described the purchases and what he knew about the circumstances surrounding the purchases, which he also shared with the Bureau of African Affairs.² The purchases noted by the Ambassador are presented below and involve three primary procurement categories: the Chief of Mission Residence, spare auto parts, and office supplies.

¹ E-mail, “<DOS> Concerns from U.S. Embassy Freetown,” June 8, 2021.

² In accordance with 1 Foreign Affairs Manual (FAM) 112(2)-(3), “Assistant Secretary,” the Assistant Secretary of the Bureau of African Affairs is responsible for ensuring the adequacy of U.S. policy for the countries within its geographic region and the plans, programs, resources, and performance for implementing that policy. The Assistant Secretary supports chiefs of mission to implement U.S. foreign policy and lead their missions effectively.

Purchases Questioned

For the Chief of Mission Residence, the Ambassador noted that a \$15,989 commercial range was purchased that was incompatible with the location in which it was to be installed. OIG found that it was later sold at auction for \$831.



Figure 2: Vulcan electric range purchased by Embassy Freetown. (Vulcan Website, March 2022).

In addition, a \$14,800 commercial washer and dryer set was purchased for the Chief of Mission Residence and was later discovered to be incompatible and could not be used as intended.



Figures 3, 4 and 5: Commercial washer and dryer purchased by Embassy Freetown. (Primer and Embassy Freetown, March 2022).

Furthermore, 20 Flowerpots were purchased at a cost of \$375 each (for a total of \$7,500), even though the sticker price indicated 34.99 pounds, or approximately \$48, for each flowerpot



Figures 6 and 7: Flowerpots purchased by Embassy Freetown. (Embassy Freetown, January 2022).

The Ambassador also discovered that the embassy had purchased used furniture from the local landlord for the Chief of Mission Residence at a cost of \$75,000,³ which circumvented the Bureau of Overseas Buildings Operations (OBO) Official Residence Program.⁴ In addition, the embassy used another source of funding rather than OBO funding to purchase other items for the residence.

The Ambassador also noted that the embassy had purchased a school bus for \$119,500 that could not be used. Specifically, Embassy official noted that it could not be used to safely onboard and offboard children due to its extended height from the ground.



Figures 8 and 9: IVECO minibus purchased by Embassy Freetown. (Embassy Freetown, March 2022).

³ Embassy Freetown rented a fully furnished Chief of Mission Residence from a local landlord. According to the former General Services Officer, “neither post nor the landlord conducted thorough inventory of the property.” Rather than negotiating with the landlord each time an issue arose with the furniture, the embassy determined that it should purchase the furnishings to gain “full control [of the furnishings] and not have to consult the landlord when an item is damaged or needs replacement.”

⁴ 15 FAM 732a-b, “Funding,” within 15 FAM 730, “Residential Design & Furnishings Program for Designated Representational Residences,” states that the OBO Office of Residential Design and Furnishings funds furniture, furnishings, and equipment, including repair and replacements, as well as funds small appliances that cost more than \$250 (including associated shipping costs) for designated representational residences, such as the Chief of Mission Residence.

Lastly, the Ambassador expressed concerns about the unusually high cost of International Cooperative Administrative Support Services⁵ (ICASS) for items involving Embassy Freetown's furniture and appliance pool, spare auto parts, and office supplies inventories.

Procurement Roles and Responsibilities at Overseas Posts

The Management Officer at an overseas post is responsible for supervising all management operations at post. The Management Officer manages and coordinates ICASS policies, establishes and maintains internal control systems, and serves as the single real property manager with authority over the real property program. The Management Officer also has oversight of post operations including facility management, financial and information management services, general services, human resources, and medical functions. With respect to general services, the General Services Officer (GSO) is responsible for overseeing management services related to the direct physical operation of the embassy. Within the General Services Office, the Procurement Section is responsible for meeting the embassy's acquisition needs.

Department Guidance

The Foreign Affairs Manual (FAM) contains the Department's organizational structures, policies, and procedures that govern Department operations. The FAM provides guidance on maintaining effective systems of management controls (also referred to as internal controls) and states, "[a]ll Department managers (domestic and at post) must establish cost-effective systems of management controls to ensure U.S. Government activities are managed effectively, efficiently, economically, and with integrity."⁶ In addition, 15 FAM 732a-b, "Funding," states that the OBO Office of Residential Design and Furnishings funds furniture, furnishings, and equipment for designated representational residences, such as the Chief of Mission Residence, as well as small appliances costing more than \$250 (including associated shipping costs). This includes procurement, shipping, repair, and replacement activities.

The Bureau of Administration, Office of the Procurement Executive, publishes the Overseas Procurement Guide,⁷ which provides guidance to overseas Contracting Officers and their staff on awarding and administering common contracts.⁸ The Overseas Procurement Guide outlines

⁵ ICASS is the principal means by which the U.S. government provides and shares the cost of common administrative support needed to ensure effective operations at overseas embassies and consulates. Common administrative support may include motor pool services, travel services, purchasing services, security guard services, building operations, and make-ready services. The costs of these shared services are pooled together and attributed to specific cost centers and sub-cost centers. Information recorded in cost centers and sub-cost centers is used to track the usage of specific services and the costs are ultimately charged to the government agencies using these services at post.

⁶ 2 FAM 021.1b, "Policy and Scope."

⁷ The Office of the Procurement Executive renamed the "Overseas Contracting and Simplified Acquisition Guidebook" to the "Overseas Procurement Guide" in June 2021.

⁸ Office of the Procurement Executive, Overseas Procurement Guide, Chapter 1, "Introduction," I. GOALS AND OBJECTIVES, C. Objectives of this Guidebook (June 2021).

the simplified acquisition process, including how standard purchase orders, delivery orders, and blanket purchase agreements are executed.⁹ Per the Overseas Procurement Guide, personnel are required to determine price reasonableness on all purchases and document how the price was determined to be fair and reasonable in the procurement file.¹⁰

Standards for Internal Control in the Federal Government

The Government Accountability Office's *Standards for Internal Control in the Federal Government* provides a framework for establishing and maintaining an effective internal control system.¹¹ The Government Accountability Office defines the internal control standards through components and principles and explains why they are integral to an effective internal control system. Specifically, the *Standards for Internal Control in the Federal Government* identifies five components of internal control: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring. It also identifies 17 principles that "support the effective design, implementation, and operation of the associated components and represent requirements necessary to establish an effective internal control system."¹²

AUDIT RESULTS

Finding A: Embassy Freetown Took Steps To Address Internal Control Deficiencies To Manage its Procurement Process

OIG found that Embassy Freetown officials took appropriate steps to address known internal control deficiencies that adversely impacted the procurement process and contributed to the purchases of goods identified by the Ambassador as unable to be used as intended. Specifically, the GSO directed procurement staff to develop standard operating procedures (SOP) to guide the procurement process and began to coordinate with the Bureau of Overseas Buildings Operations on purchases made for the Chief of Mission Residence and Deputy Chief of Mission Residence. In addition, embassy officials completed an inventory of goods and corrected discrepancies in recordkeeping for the furniture and appliance pool, spare auto parts, and office supplies. The deficiencies identified and addressed originated, in part, because of staffing shortages at the embassy. In response, the embassy prioritized the hiring of additional staff to support mission operations and conducted several training sessions to improve the procurement process.

⁹ Ibid., page 8.

¹⁰ Office of the Procurement Executive, Overseas Procurement Guide, Chapter 2 "Simplified Acquisition," VII. PURCHASE ORDERS, F. DS-1918, Purchase Order File (December 2017, and later revisions).

¹¹ Government Accountability Office, *Standards for Internal Control in the Federal Government*, page 1 (GAO-14-704G, September 2014).

¹² Ibid., pages 7-8.

Developing Internal Control Activities to Improve the Procurement Process

The FAM requires that all management control systems incorporate the Government Accountability Office Internal Control Standards.¹³ The *Standards for Internal Control in the Federal Government* states that management should “design control activities to achieve objectives and respond to risks;” “implement control activities through policies;” “establish an organizational structure, assign responsibility, and delegate authority to achieve the entity’s objectives;” and “demonstrate a commitment to recruit, develop, and retain competent individuals.”¹⁴

When OIG commenced fieldwork for this audit in November 2021, Embassy Freetown did not have SOPs in place to guide its procurement process. Since then, the GSO directed staff to document the process used to carry out their day-to-day responsibilities. The GSO developed three procurement-related process documents: the Freetown Procurement SOP, the Freetown Procurement Process Flow, and the Freetown Procurement Oversight/Monitoring SOP. The Freetown Procurement SOP provides a brief overview of the tasks that must be completed during the procurement process. The Freetown Procurement Flow, which uses language and instructions similar to that of the Freetown Procurement SOP, provides guidance on the procurement process flow. The Freetown Procurement Oversight/Monitoring SOP outlines required training and discusses rotation of procurement staff portfolios. OIG determined that the development of these documented procedures meets the intent of the *Standards for Internal Control in the Federal Government*, which states, “[m]anagement should design control activities to achieve objectives and respond to risks.”¹⁵ While OIG found the development and implementation of these documents beneficial in guiding the procurement process, additional action will be required to further improve the SOPs, as discussed in detail in Finding B of this report.

In addition to developing the SOPs, the GSO began coordinating purchases made for the Chief of Mission Residence and the Deputy Chief of Mission Residence with OBO, as required by the FAM.¹⁶ Additionally, the Ambassador was included in the approval chain for purchases made for the Chief of Mission Residence and the Deputy Chief of Mission Residence to help ensure purchases made for their respective residences are suitable. These actions were important because Embassy Freetown had not been coordinating with OBO or using OBO funds to furnish the Chief of Mission Residence, as required. Instead, it had been improperly using program funds to purchase furniture and appliances for the Chief of Mission Residence. According to the former Financial Management Officer, these items were purchased with diplomatic program funds because “the requests were for emergencies and the funding used was a placeholder to be reclassified while the GSO requested funding from OBO.” However, an OBO official stated that she was not consulted during the procurement of these items. She further stated that the items

¹³ 2 FAM 021.1c, “Policy and Scope.”

¹⁴ GAO-14-704G, September 2014, pages 45, 56, 27, 30.

¹⁵ Ibid., page 45.

¹⁶ 15 FAM 730 “Residential Design & Furnishings Program for Designated Representational Residences.”

would not have been funded if she had been consulted. She also stated that OBO's concurrence is required even in emergencies.¹⁷

To determine if the requirement to coordinate with OBO had been successfully and consistently applied, OIG selected and reviewed a sample of 3 procurements for the Chief of Mission Residence in FY 2021.¹⁸ Specifically, OIG reviewed the purchase of four air conditioning units costing \$644 each, an orthopedic mattress costing \$811, and patio furniture costing \$18,948. OIG confirmed that the embassy properly coordinated the purchase of appropriate items with OBO and used the correct funding for these items.¹⁹

Correcting Discrepancies in the Furniture and Appliance Pool, Spare Auto Parts, and Office Supplies

To address the Ambassador's concerns related to the unusually high ICASS costs for items involving the furniture and appliance pool, as well as the cost of spare auto parts and office supplies, Embassy Freetown began to review the ICASS costs associated with these items. Specifically, according to the GSO and GSO Assistant, there were 1,506 potentially mislabeled items valued at \$888,446 as of January 2021. For example, the GSO Assistant stated that a forklift was incorrectly classified as part of the furniture and appliance pool. Thus, the ICASS cost for the furniture and appliance pool was higher than it should have been. Embassy Freetown staff conducted an inventory of goods and identified recordkeeping discrepancies. The GSO Assistant stated that the staff did not consistently document the transfer of items between the warehouse and residences. Nor did they accurately record when items were discarded in the Integrated Logistics Management System,²⁰ which contributed to the misclassification of those items. In May 2022, the GSO Assistant stated that "all the movements of items are followed by a DS-584 transfer paper, an individual paper for each movement. And all disposals take place with the signed DS-132."²¹ To confirm that the misclassification of items were being addressed, OIG reviewed Embassy Freetown's Management Progress Report to the Bureau of African Affairs in February 2022 and noted that \$759,209 (86 percent) of misclassified items had been corrected following the new procedures outlined by the GSO Assistant.

¹⁷ Ibid.

¹⁸ See Appendix A, "Purpose, Scope, and Methodology," for details of OIG's sample.

¹⁹ Although OIG found that OBO coordination and funds were appropriately applied to procure the items reviewed, it is important to note that the guidance outlining the process had not been formally documented in the embassy's SOPs when OIG tested these items for compliance. OIG discusses this deficiency, among other improvements that are needed, in Finding B of this report.

²⁰ The Integrated Logistics Management System is used to manage the Department's logistics management functions including procurement, warehousing, transportation, property management, personal effects, and tracking functions. The system tracks an item's entire journey through the Department from request/procurement to retirement/disposal.

²¹ Form DS-584, Nonexpendable Property Transaction, is used to approve, document, and control property loans. The principal custodial officer prepares Form DS-584, listing all items included in the loan. A separate line entry is made for each item bearing a serial number or property number. The Integrated Logistics Management System allows the principal custodial officer to maintain files electronically. The Accountable Property Office must get the approval of the Property Management Office before property can be disposed. This is done by completing Form DS-132, Property Disposal Authorization and Survey Report.

During the audit, a Financial Specialist at Embassy Freetown said that spare auto parts and office supplies were also misclassified or not accurately tracked. For example, generator parts were incorrectly classified as spare auto parts. Similarly, purchased items were classified as office supplies when they were not. To resolve these issues, Embassy Freetown officials completed trainings on the use of object codes.²² In addition, Embassy Freetown officials completed an inventory of expendable supplies, and the expendables team is now responsible for submitting procurement requests for all expendable items, including office supplies and spare auto parts. To verify that Embassy Freetown resolved the misclassification discrepancy and accurately classified office supplies and spare auto parts, OIG reviewed a sample of six procurement files from FY 2020 and six procurement files from FY 2021 related to office supplies and spare auto parts.²³ In each of the 12 procurement files reviewed, OIG confirmed that the items had been correctly classified in accordance with 4 Foreign Affairs Handbook (FAH)-1 H-613, "Object and Subobject Class Codes and Standard Title Abbreviations."

Addressing Staffing Needs and Conducting Training To Remediate Procurement Process Deficiencies

In its FY 2020 Annual Management Control Statement of Assurance,²⁴ Embassy Freetown identified the lack of a U.S. direct-hire Financial Management Officer (FMO) and Human Resources Officer (HRO) as an internal control deficiency. In its FY 2021 Annual Statement of Assurance, Embassy Freetown again identified the lack of a U.S. direct-hire FMO and HRO as an internal control weakness. Specifically, the 2021 Statement of Assurance states that "[t]he complexity of the financial management and human resources operations make it difficult for a single [M]anagement [O]fficer to address all issues," and that some questionable procurements, such as furniture purchased for the Chief of Mission Residence and a bus, were approved but should not have been.

In August 2021, Embassy Freetown requested a HRO and an additional GSO in its Overseas Presence Review submitted to the Office of Management Strategy and Solutions.²⁵ Embassy Freetown reported that "[h]aving a mid-level GSO or HRO to cover for [M]anagement [O]fficer

²² Object codes are used to identify the kind of services, materials, and other resources for which U.S. government payments are made.

²³ See Appendix A, "Purpose, Scope, and Methodology," for details of OIG's sample.

²⁴ Federal agencies must submit an annual statement of assurance on the status of their systems of management control to the President and Congress. In accordance with the FAM, all management control systems at the Department must incorporate the federal internal control standards issued by the Government Accountability Office, and Department managers must review and report on the adequacy of the Department's control systems annually in support of the Secretary of State's annual statement of assurance to the President and Congress. To fulfill this requirement, Chiefs of Mission, Assistant Secretaries, and office heads provide an assurance statement, addressed to the Secretary, on the effectiveness of internal controls in their respective operations annually. 2 FAM 021.2, "Policy and Scope;" 2 FAM 021.3, "Definitions;" 2 FAM 022.12, "Department Managers;" 2 FAM 024, "Annual Management Assurance Process."

²⁵ In accordance with 1 FAM 044.4-3(A)(9), "M/SS Policy and Global Presence (PGP)," the Office of Management Strategy and Solutions, Directorate of Policy and Global Presence, conducts overseas presence reviews of all missions on a regular basis to determine the optimal staffing levels required to meet foreign policy goals.

absences would greatly improve continuity of operations and management oversight. Continued reliance on first tour GSOs, vacancies in key program positions, and the practice of filling long-term staffing gaps by tasking personnel, who already manage complex portfolios, to cover new and/or additional sections harms morale and creates vulnerabilities in asset management across the Mission.” Embassy Freetown described obtaining approval for the new U.S. direct-hire positions as Embassy Freetown’s “most urgent priority,” which would “enable post to strengthen standardized processes, ensure compliance with Department regulations, meet reporting requirements, and support professional development.”

In response to the embassy’s reporting of deficiencies, the Bureau of African Affairs approved an additional, temporary GSO for the embassy, who arrived in May 2022 and will serve at post for 2 years. The Bureau of African Affairs also tentatively approved an additional permanent HRO/FMO position for the embassy.²⁶ While Embassy Freetown awaits the final approval of this position, it is receiving remote support from Washington, DC, from the Bureau of African Affairs, Executive Director,²⁷ on human resource issues and from U.S. Embassy Accra, Ghana, on financial management issues. In addition, the Bureau of African Affairs, Executive Director, sent a Management Officer to Embassy Freetown who worked with post’s management staff to identify and correct deficiencies in 2021. The Management Officer produced a report on the potential material weaknesses or significant deficiencies identified and the corrective actions planned. As of March 2022, the Bureau of African Affairs, Executive Director, planned to send an experienced Management Officer on temporary duty to assist with resolving any of the outstanding deficiencies that were identified in the report.

Embassy Freetown also conducted several training sessions for staff involved in the procurement process, as well as for the embassy community at large, to educate staff and the embassy community on post operations. For example:

- In September 2021, the embassy conducted training on funding and budgeting for the ICASS furniture and appliance pool.
- In October 2021, the embassy:
 - Invited a subject matter expert from the U.S. Embassy Yaounde, Cameroon, to mentor staff in warehouse receiving and expendable supply management, develop standard operating procedures, and increase the staff’s understanding of the Integrated Logistics Management System.
 - Held training for embassy supervisors focusing on employee evaluation reports and holding staff accountable for job performance.
 - Held training for embassy officials on acquisition planning.
 - Held training for embassy officials on the procurement process.
- In November 2021, the embassy held training for senior embassy officials on the budget process.

²⁶ Final approval is contingent on approval from the Deputy Secretary of State for Management and Resources and the Bureau of Global Talent Management.

²⁷ In accordance with 1 FAM 116(1), “Executive Director,” the Executive Director provides overall direction to all administrative and management activities for the bureau and posts in the region.

- In January 2022, OBO provided training on the process for requesting funds for the Chief of Mission Residence.
- In February 2022, the GSO Assistant, a Property Clerk, and an Expendables Clerk attended the Foreign Service Institute’s Expendables Management training.

Collectively, the actions taken by Embassy Freetown lay the foundation for improved internal controls over the procurement process. However, as described in Finding B in this report, OIG concludes that additional training activities and stronger internal controls are necessary to enhance and sustain the progress that Embassy Freetown has recently made.

Finding B: Additional Attention to the Procurement Process is Needed To Sustain the Progress Made

Although OIG acknowledges the progress Embassy Freetown made to improve its procurement process, OIG identified key areas within the process that require additional attention. Specifically, OIG found that the procurement files reviewed for this audit did not always include documentation demonstrating a bona fide need for the item purchased; a description of the purchased items, such as the brand and model number; how price was determined to be fair and reasonable; or evidence that the vendor selected had been vetted in accordance with Department policy. In addition, OIG found that embassy personnel did not consistently follow guidance regarding property disposal or document the disposal process in accordance with Department policy. These deficiencies occurred, in part, because procurement staff had not been thoroughly trained, provided detailed SOPs to guide the procurement process, or properly monitored to ensure compliance with Department procurement requirements. Correcting these deficiencies will improve Embassy Freetown’s ability to comply with Department procurement requirements and avoid costly procurement errors going forward.

Purchases of Wine Lack Documentation Demonstrating Bona Fide Need

3 FAM 3246.3-6b, “Purchase and Shipment of American Wine,” states that “[i]n no case . . . is the post authorized to use excess year-end funds to purchase wine, invitations, or other representation supplies and materials that are not a bona fide need of that fiscal year.”

From 2017 to 2020, Embassy Freetown spent \$12,497 on wine for social events (such as hosting a gathering of journalists or Fulbright alumni). Embassy Freetown’s Ambassador had concerns with wine purchased near the end of FY 2020 because there were no representational events at that time because of COVID.²⁸ According to a former Chief of Mission’s Office Management Specialist, wine was generally purchased at the end of the year when the embassy had to spend the remaining budget or lose the money. She added that this is a common practice at the embassy and that wine was purchased in September of each year as shown in Table 1.

²⁸ The Ambassador stated that, for a time, the Embassy was not hosting many events. He added that the air conditioner in the room where the wine was stored broke down and the wine turned to vinegar. As a result, the embassy discarded 40 to 50 percent of the wine.

Table 1: Wine Purchases Made at the End of Each Fiscal Year

Purchase Date	Cost in US Dollars
September 30, 2020*	\$1,562
September 23, 2019	\$519
September 27, 2018	\$3,005
September 19, 2018	\$5,544
September 25, 2017	\$1,867
Total	\$12,497

* Embassy Freetown ordered the wine but was subsequently informed that wine was out of stock.

Source: Generated by OIG from data provided by Embassy Freetown and the Integrated Logistics Management System.

OIG reviewed the procurement files associated with the wine purchased and could not verify, based on the documentation available, that there was a bona fide need applicable to the specified fiscal year for the wine purchases. For example, in describing the FY 2020 request for wine purchases, an Embassy Freetown official wrote, "Representational wine for Gratuities." In describing the FY 2019 request, an embassy official wrote, "Chief of Mission Residence Event Wine." Neither procurement identified the specific representational events or activities that the wine would support. Similarly, OIG found that the 2017 and 2018 wine purchase requests were also missing documentation to demonstrate a bona fide need. Without supporting documentation to demonstrate a bona fide need, Embassy Freetown cannot be assured that the wine purchases were a bona fide need for that fiscal year, as prescribed by the FAM.²⁹ When OIG asked the GSO and procurement staff if they were aware of the FAM requirement, neither responded. Notwithstanding whether officials were aware of the policy, had there been a control in place for oversight and proper training, the Procurement Section and the GSO would have ensured that the purchase requests were properly supported with a bona fide need, in accordance with Department policy, prior to approving the request.

Procurement Files Lack Required Documentation and Were Not Closed in a Timely Manner

Department guidance requires overseas posts to maintain electronic files for purchases under \$250,000 (the simplified acquisition threshold).^{30,31} The procurement files must contain documentation that (1) identifies the brand and model number of the item purchased in the purchase order, (2) demonstrates how the price was determined to be fair and reasonable, and (3) verifies that vendors are not on the System for Award Management exclusions list.^{32,33} In

²⁹ 3 FAM 3246.3-6b, "Purchase and Shipment of American Wine."

³⁰ Cable 14 STATE 111542, "A/OPE AND A/LM/PMP ELECTRONIC FILING (EFILING) DEPLOYMENT," September 16, 2014; Federal Acquisition Regulation 2.101, "Definitions."

³¹ The simplified acquisition threshold increased from \$150,000 to \$250,000 on May 31, 2018. Cable 18 STATE 31846, "Increased Micro-purchase Threshold and Simplified Acquisition Threshold Effective May 31, 2018," April 6, 2018.

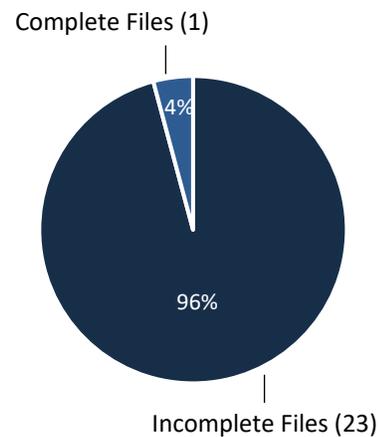
³² Overseas Procurement Guide, Chapter 2, "Simplified Acquisition," V. SIMPLIFIED ACQUISITION PROCEDURES, F. End of Year Guidance; VII. PURCHASE ORDERS, F. DS-1918, Purchase Order File (December 2017, and later revisions).

³³ An exclusion record (also referred to as the suspensions and debarments) identifies parties excluded from receiving federal contracts, certain subcontracts, and certain types of federal assistance and benefits.

addition, the Overseas Procurement Guide requires Government purchase orders to be closed out in order to identify a destroy date, which involves “gathering together all documents showing that required procedures have been followed throughout the procurement process, the order was completed or terminated, and the contractor was paid.”³⁴

OIG reviewed 24 electronic files to determine whether Embassy Freetown adhered to Department file documentation requirements. Specifically, OIG reviewed the six procurement files that Embassy Freetown identified as concerns and a sample of 18 procurement files for purchases made between FY 2020 and FY 2021. Of the 24 files reviewed, only one file contained all the required documentation elements, while the other 23 files were missing one or more of the required elements. Figure 10 shows the percentage of procurement files that lacked documentation.

Figure 10: Procurement Files Lacked Documentation



Source: Generated by OIG based on analysis of procurement files downloaded from the Integrated Logistics Management System.

With respect to identifying the brand and model number of the item(s) to be purchased, the Overseas Procurement Guide states that each procurement action “must state specific line items or contain a complete statement of work” and that “[a]t time of award, the [purchase order] needs to cite specifically what is being purchased and at that point, it is appropriate to identify the item by brand and model number.”³⁵ Of the 24 procurement files OIG reviewed, 12 files (50 percent) did not list the specific brand or model number of the item on the purchase order. For example, in September 2018, Embassy officials purchased 20 flowerpots costing \$375 each for a total of \$7,500. The purchase order did not identify the brand or model number of the flowerpots. Similarly, in February 2021, Embassy Freetown officials purchased four air conditioners for the Chief of Mission Residence costing \$644 each for a total of \$2,576. The purchase order did not identify the model number of the air conditioners. Without this information, the U.S. government is not expressing a specific need.³⁶

With respect to determining price reasonableness, the Overseas Procurement Guide requires that officials document how the price was determined to be fair and reasonable for all purchases under \$250,000.³⁷ Of the 24 procurement files OIG reviewed, 9 files (38 percent) did not include documentation showing how Embassy Freetown determined that the price of the

³⁴ Overseas Procurement Guide, Chapter 2, “Simplified Acquisition,” XIII. ADMINISTRATION AND CLOSE-OUT PROCEDURES, M. Closeout (December 2017, and later revisions).

³⁵ Ibid., V. SIMPLIFIED ACQUISITION PROCEDURES, F. End of Year Guidance (December 2017, and later revisions).

³⁶ Ibid.

³⁷ Ibid., VII. PURCHASE ORDERS, F. DS-1918, Purchase Order File.

item was fair and reasonable.³⁸ For example, in a September 2021 procurement file, procurement staff did not document how the price of patio furniture for the Chief of Mission Residence costing \$18,948 was fair and reasonable. In fact, the procurement file included documentation showing similar items for sale online for as low as \$12,263. Similarly, they did not document that the price of the industrial washer and dryer set and school bus, which were later determined to be incompatible and could not be used, were priced fairly and reasonably. Moreover, the procurement file for the flowerpots with sticker prices approximately \$327 less than what the embassy paid per pot (see Figures 6 and 7 in the Background section of this report) simply stated that the price was “considered reasonable and purchase does not exceed \$10,000.”

With respect to verifying that vendors are not on the exclusions list, the Overseas Procurement Guide states that Department personnel must determine that the “[p]rospective contractor is not included on the [System for Award Management] Exclusions list . . . at <https://www.sam.gov/SAM/>” and provide a “print out of the page showing ‘no results’ because firms can later become ‘on the list’ so we want to clearly show that they were not on the list on [the] date identified.”³⁹ Of the 24 files OIG reviewed, 20 files (83 percent) did not include documentation demonstrating that embassy personnel verified whether the vendor was on the exclusion list at the time of award.

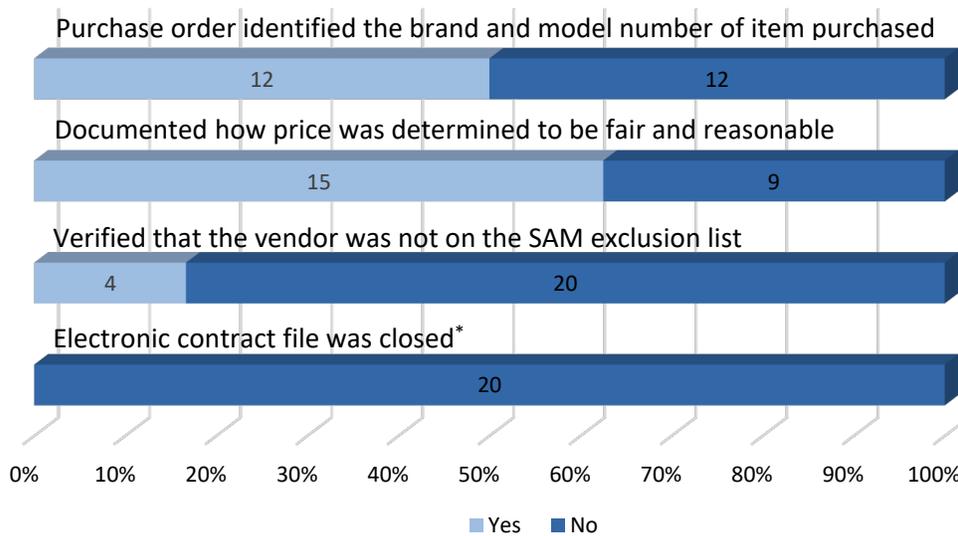
Lastly, the Overseas Procurement Guide requires Government purchase orders to be closed out in order to identify a destroy date, which involves “gathering together all documents showing that required procedures have been followed throughout the procurement process, the order was completed or terminated, and the contractor was paid.”⁴⁰ OIG found that, although 20 of 24 files included evidence that items purchased had been received in full, none of those 20 files were closed. Furthermore, as of February 2022, Embassy Freetown officials estimated there were approximately 3,800 procurement files ready for closeout. According to the GSO, the backlog developed after a previous Management Officer advised procurement staff not to perform e-filing because it was “a waste of time.” Figure 11 summarizes the results of OIG’s review of the procurement files.

³⁸ See Appendix A, “Purpose, Scope, and Methodology,” for details of OIG’s sample.

³⁹ Overseas Procurement Guide, Chapter 2, “Simplified Acquisition,” VII. PURCHASE ORDERS, F. DS-1918, Purchase Order File (December 2017, and later revisions).

⁴⁰ Ibid., XIII. ADMINISTRATION AND CLOSE-OUT PROCEDURES, M. Closeout.

Figure 11: OIG’s Review of Embassy Freetown’s Procurement Files



* Four procurement files did not include evidence that items purchased were received in full. Therefore, the files were not ready to be closed.

Source: Generated by OIG based on a review of contract files from the Integrated Logistics Management System.

In addition, if a purchase costs more than \$10,000, more documentation is required in the procurement file.^{41,42} For these purchases, the Overseas Procurement Guide requires (1) solicitation of at least three quotations meeting the requirements of the acquisition or written justification supporting the lack of competition;⁴³ (2) evidence of public posting;⁴⁴ and (3) that applicable Federal Acquisition Regulations and Department of State Acquisition Regulation provisions are attached to the purchase order.⁴⁵ Of the 24 procurement files OIG reviewed, 5 were for purchases of items costing over \$10,000. These included the purchases of the industrial washer and dryer set, school bus, commercial range, rotor discs, and patio furniture.

⁴¹ Ibid., VII. PURCHASE ORDERS, A. Competition Requirements.

⁴² The micro-purchase threshold increased from \$3,500 to \$10,000 on May 31, 2018. Cable 18 STATE 31846, “Increased Micro-purchase Threshold and Simplified Acquisition Threshold Effective May 31, 2018,” April 6, 2018.

⁴³ The Overseas Procurement Guide states that for purchases over \$10,000 “soliciting fewer than three sources is not considered to be fully competitive. A justification is required in the purchase order file supporting the lack of competition.” See Chapter 2, “Simplified Acquisition,” VII. PURCHASE ORDERS, A. Competition Requirements (December 2017, and later revisions).

⁴⁴ This requirement applies to procurements expected to exceed \$15,000. See Chapter 2, “Simplified Acquisition,” VII. PURCHASE ORDERS, A. Competition Requirements, B. Publicizing the Requirement (December 2017, and later revisions).

⁴⁵ To implement provisions of law or executive orders applicable to acquisitions of commercial products and services, the Bureau of Administration, Office of the Procurement Executive requires the Department to incorporate into its contracts applicable provisions from the Federal Acquisition Regulations and Department of State Acquisition Regulation. See Chapter 2, “Simplified Acquisition,” VII. PURCHASE ORDERS, D. Preparing the Purchase Order (December 2017, and later revisions).

In reviewing the procurement files for the washer and dryer set and commercial range, OIG did not find evidence of solicitation of three quotations or written justifications for the lack of competition. Rather, OIG found one quotation for the washer and dryer set and one quotation and one solicitation for the commercial range. For the school bus, Embassy Freetown obtained three quotations, but only one met the embassy's stated requirement on the procurement request for a 4 x 4 vehicle. The other two quotes were for vehicles that did not have 4 x 4 capability. OIG also found that none of the five purchases included proof of public posting. Lastly, OIG found that four purchases did not include the required Federal Acquisition Regulations and Department of State Acquisition Regulation provisions. The provisions address, among other things, access to records, prohibition of certain telecommunications equipment, and the right of the U.S. Government to terminate a purchase order for convenience, default, or cause.

Embassy Personnel Did Not Consistently Follow Guidance for Disposing of Property

Property disposal procedures are set forth in 14 FAH-1 H-700.⁴⁶ Specifically, 14 FAH-1 H-713.1, "Disposal Document Preparation," states that the Accountable Property Officer must get the approval of the Property Management Officer before disposing of property. The Accountable Property Officer must complete Form DS-132, Property Disposal Authorization and Survey Report, to document his or her request and the subsequent approval. Form DS-132 requires the Accountable Property Officer to state the reasons for disposing of the property, as well as its condition and cost.

OIG found that the Accountable Property Officer did not receive approval from the Property Management Officer prior to disposing of the commercial range. Instead, OIG found that Form DS-132 was created *after* the commercial range had already been auctioned (the Embassy received approximately \$831 from the sale, for a 95 percent loss).⁴⁷ When OIG asked why the form was developed after the fact, the Property Clerk stated that it was "created after the auction because that has been the procedures when conducting [an] auction." Moreover, Form DS-132 was not correctly filled out. For example, the form asked for an explanation of "the circumstances causing the reported status of property," but none was provided. In addition, the condition of the commercial range was identified as "used, poor" even though the Embassy had purchased it 7 months prior and never used it. In fact, all 112 items listed for disposal with the commercial range on Form DS-132 were identified as "used, poor," leading OIG to conclude that little attention was paid to accurately account for the condition of the items. The former GSO stated that the terms "used, poor" were regularly used on the forms when disposing of property.⁴⁸ Lastly, the GSO Assistant signed the form rather than the GSO. According to 14 FAM 411.2-2, "Accountable Property Officer (APO)," "[f]unctional responsibility for accountable

⁴⁶ 14 FAH-1 H-711 defines disposable property as "property that is not required, or in such condition that economical repairs cannot be made and should not be allowed to accumulate in offices or warehouses."

⁴⁷ The auction was held on January 24 and 25, 2020. However, the DS-132 form was signed on February 14, 2020.

⁴⁸ OIG's purpose in this audit was to determine whether Embassy Freetown implemented internal controls to manage the procurement process including the purchases reported to OIG by the Ambassador such as the auction of the commercial range. Nonetheless, OIG concludes that deficiencies identified increase the risk of fraud to occur. The embassy should remain vigilant and report suspected fraudulent activity to OIG.

property officer (APO) is inherent in the position of the general services officer (GSO).” While the former GSO delegated “warehouse operations” to the GSO Assistant in an e-mail, he did not document the delegation of his authority as Accountable Property Officer.

The former GSO also did not consider redistribution or transfer of the commercial range prior to sale. According to 14 FAH-1 H-713, “Methods of Disposal,” “[w]hen disposing of property, the methods of disposal are followed in the order given: (1) Redistribution to establishments within the parent agency; (2) Transfer to another agency, or to a commissary/mess/recreational facility.” Sale or exchange is the third method of disposal to be considered. Redistribution involves notifying other posts in the geographic area of property that is in serviceable condition. OIG reviewed available documentation and could not find evidence that Embassy Freetown followed the FAH guidance by considering redistributing or transferring property prior to the sale of the commercial range. Furthermore, the former GSO stated that he did not consider redistributing the commercial range and that “post does not have a commissary or an appropriate facility where we could have used this.”

Lack of Training, Detailed Standard Operating Procedures, and Oversight Contributed to Deficiencies

OIG determined that the electronic files reviewed for this audit lacked the required documentation, in part, because of lack of training, detailed SOPs, and inadequate oversight. With respect to training, the *Standards for Internal Control in the Federal Government* states that “management establishes expectations of competence for key roles, and other roles at management’s discretion, to help the entity achieve its objectives. Competence is the qualification to carry out assigned responsibilities. It requires relevant knowledge, skills, and abilities, which are gained largely from professional experience, training, and certifications.”⁴⁹ The *Standards for Internal Control in the Federal Government* further states that training “[e]nable[s] individuals to develop competencies appropriate for key roles, reinforce standards of conduct, and tailor training based on the needs of the role.”⁵⁰ Embassy Freetown requires its staff members in the Procurement Section and in the Financial Management Office to take several trainings related to the procurement process. The required courses include Commercial Acquisition for Locally Employed Staff, Contract Administration Workshop, Shipping for Procurement Professionals, Accounting I and II, and ICASS Cost Distribution Fundamentals and Invoice.

Although Embassy Freetown had taken some actions to improve training of embassy personnel, OIG found that there was little focus on the training requirements established specifically for the staff in Procurement Section and Financial Management Office. OIG reviewed the training

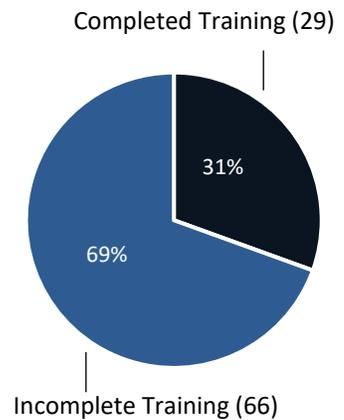
⁴⁹ GAO-14-704G, September 2014, page 30.

⁵⁰ Ibid., page 31.

certificates of nine staff members⁵¹ and found that none of them had completed all the required training. In fact, the staff members completed only 31 percent of their required training.⁵² Figure 12 shows the percentage of required training completed by staff in the Procurement Section and Financial Management Office.

OIG also reviewed the training requirements documented in each position description. OIG found that, although some of the training requirements in the position descriptions overlapped with the embassy’s established training requirements, little attention was paid to ensure the training was completed. One member of the procurement team stated that they had only taken one basic procurement course in the almost two years that they had worked in the Procurement Section. When OIG asked what would make their job easier, the team member’s response was that they “need more training.” When OIG asked a majority of the Procurement Section and Financial Management Office staff if they were aware of their training requirements, only three staff members stated they were aware of the training requirements. The Management Officer stated that it was her understanding that those trainings were given when the staff members were hired. The Management Officer and GSO also stated that they were unaware of a mechanism to track training completion. Without properly trained staff members, however, Embassy Freetown cannot ensure that its objectives are achieved.

Figure 12: Training Completion



Source: Generated by OIG based on analysis of training information provided by Embassy Freetown.

With respect to SOPs, the *Standards for Internal Control in the Federal Government* states that establishing policies and procedures is an internal control principle that can assist an entity in achieving its objectives.⁵³ OIG found that staff in the Procurement Section of the embassy had recently developed SOPs to guide their work. However, OIG’s review of the SOPs found that they lacked key procedures that promote complete and consistent application of the guidance. For example, the current SOPs do not include procedures for conducting market research,⁵⁴

⁵¹ Seven staff members were in the Procurement Section and two were in the Financial Management Office.

⁵² In reviewing the course completion data, OIG determined that the nine staff members were required to take 95 courses in total. Of those courses, the staff members completed 29 courses (31 percent). They have not completed 66 courses (69 percent).

⁵³ GAO-14-704G, September 2014, page 45.

⁵⁴ The Overseas Procurement Guide states that “[m]arket research means investigating the availability of supplies or services in the commercial marketplace. It is the key to determine whether a commercial item can meet a need.” Chapter 2, “Simplified Acquisition,” IV. INITIATION OF PROCUREMENT (June 2021).

vetting vendors,⁵⁵ or ensuring competition,⁵⁶ as required by the Overseas Procurement Guide. Specifically, in reviewing the procurement files for the items that the Ambassador flagged as primary concerns for this audit, including the appliances for the Chief of Mission Residence and the school bus, OIG found that the procurement staff did not always conduct market research, vet the vendors under consideration, or solicit at least three sources for the procurements to help obtain the best price and value, as previously noted.

The newly developed Freetown Procurement SOP also does not include written procedures on ensuring communication among the offices involved in the procurement process. For example, OIG found no evidence of communication between the Procurement Section and the Facilities Office documented in the procedures. This contributed to the purchase of the industrial washer and dryer for the Chief of Mission Residence that had incorrect specifications and could not be installed in the space for which it was intended. According to the Overseas Procurement Guide, “[t]he procurement request serves as the foundation for the entire acquisition and must, therefore, be as thorough as possible in order that the resulting contract reflects the needs of the requiring office.”⁵⁷ OIG reviewed documentation that shows the former Chief of Mission’s Office Management Specialist made the request, the procurement staff received the request and made the purchase, and the Shipping and Receiving Clerk received the washer and dryer. However, OIG could not find documentation of discussions about specifications. OIG spoke with the Procurement Supervisor and the Facilities Manager who could not clearly explain how the washer and dryer were purchased with incompatible specifications. As previously mentioned, Embassy Freetown recently began coordinating with OBO for Chief of Mission Residence purchases and is obtaining the approval of the Chief of Mission and the Deputy Chief of Mission for purchases for their residences. However, these procedures have not been documented in the Freetown Procurement SOP to ensure consistent application.

In addition, OIG found that the Freetown Procurement SOP lacks procedures for selecting object and funding codes. Although Embassy Freetown recently took action to reclassify its furniture and appliance pool inventory, spare auto parts, and office supplies, adding procedures into its SOP for the staff to select the appropriate object and funding codes would further ensure inventory accuracy and avoid inventory challenges in the future.

In October 2021, the GSO Assistant developed the Auction SOP to document lessons learned from previous auctions and included procedures to be taken prior to, on the day of, and after an auction. The SOP includes a procedure to “inform regional posts about the availability of the auction items” and, “[i]f no one wants them, then inform other agencies at post and the American school.” However, it lacks a procedure requiring that the Accountable Property

⁵⁵ The Overseas Procurement Guide states that “[t]his determination is made on all purchases. Prospective contractor is not included on the [System for Award Management] Exclusions list.” Chapter 2, “Simplified Acquisition,” VII. PURCHASE ORDERS, F. DS-1918, Purchase Order File (June 2021).

⁵⁶ The Overseas Procurement Guide states that “[f]or purchases over \$10,000, soliciting fewer than three sources is not considered to be fully competitive. A justification is required in the purchase order file supporting the lack of competition.” Chapter 2, “Simplified Acquisition,” VII. PURCHASE ORDERS, A. Competition Requirements (June 2021).

⁵⁷ Overseas Procurement Guide, Chapter 2, “Simplified Acquisition,” page 23 (June 2021).

Officer obtain the approval of the Property Management Officer via Form DS-132 before holding an auction, in accordance with 14 FAH-1 H-713.1.

With respect to oversight, the *Standards for Internal Control in the Federal Government* states that “[m]anagement should establish and operate monitoring activities to monitor the internal control system and evaluate the results.”⁵⁸ The Bureau of African Affairs approved a temporary, additional GSO and tentatively approved the hiring of an FMO/HRO. However, in reference to the staffing posture at present, the GSO stated that oversight is “a 100 percent impossible task no matter how qualified or talented the person in the position is.” Furthermore, she stated that she “can’t believe that someone in their first tour is in charge of 100 people and six sections, with all the rules and regulations that apply to each section.” Embassy officials noted that the lack of an experienced GSO “has contributed in the past to violations in procurement and contracting, loss of accountability in personal property, and a general lack of direction for [locally employed staff] to follow.” The Management Officer said that more U.S. direct-hire employees are needed to provide oversight. Specifically, she stated, “post cannot have proper management controls in place because they do not have proper American oversight because the Department is understaffing the post.”

Had Embassy Freetown had these controls in place, it may have avoided the purchase of costly items, including a school bus, that did not meet its needs. As OIG found, the vendor provided the specifications and pictures of the bus to the procurement staff. As Figure 13 shows, the bus is visibly high off the ground. The Contracting Officer (who was also the former GSO) reviewed and approved the purchase order with the specifications noted by the vendor. However, when the bus arrived, the vehicle was too high to safely onboard and offboard children. Therefore, it remains unused.



Figure 13: IVECO minibuss (or bus) purchased by Embassy Freetown showing the height off the ground. (Embassy Freetown, April 2019).

⁵⁸ GAO-14-704G, September 2014, page 64.

Conclusion

OIG concludes that Embassy Freetown should ensure that emphasis is placed on the importance of properly documenting procurements. To ensure proper documentation, Embassy Freetown must ensure that the necessary training, SOPs, and oversight are in place and consistently implemented. Implementing additional internal controls will ensure that procurement officials properly document purchases, thereby avoiding costly mistakes. OIG is therefore offering the following recommendations.

Recommendation 1: OIG recommends that U.S. Embassy Freetown, Sierra Leone, establish internal controls to ensure compliance with 3 FAM 3246.3-6, "Purchase and Shipment of American Wine," which forbids the use of "excess year-end funds to purchase wine, invitations, or other representation supplies and materials that are not a bona fide need of that fiscal year."

Management Response: Embassy Freetown concurred with this recommendation, stating that the "Procurement section has updated its Procurement Standard Operating Procedure to include processes to ensure compliance with 3 FAM 3246.3-6. The Procurement Section and Finance Sections have fully implemented these procedures." In addition, Embassy Freetown separately provided an updated Freetown Procurement SOP in response to this recommendation.

OIG Reply: On the basis of Embassy Freetown's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. OIG reviewed the Freetown Procurement SOP provided by Embassy Freetown and notes that it does not state specific internal controls that will ensure compliance with 3 FAM 3246.3-6. This recommendation will be closed when OIG receives documentation demonstrating that Embassy Freetown has established internal controls to fully ensure compliance with 3 FAM 3246.3-6, "Purchase and Shipment of American Wine," which forbids the use of "excess year-end funds to purchase wine, invitations, or other representation supplies and materials that are not a bona fide need of that fiscal year."

Recommendation 2: OIG recommends that U.S. Embassy Freetown, Sierra Leone, update its Freetown Procurement Standard Operating Procedure for all procurements under \$250,000 (the simplified acquisition threshold) to include procedures (1) establishing a bona fide need for the item to be purchased, (2) identifying and documenting the brand and model number of the item being purchased, (3) documenting how the price of the item was determined to be fair and reasonable, and (4) verifying and documenting that the vendor is not on the System for Award Management exclusions list.

Management Response: Embassy Freetown concurred with this recommendation, stating that the "Procurement section has updated its Procurement Standard Operating Procedure for all procurements under \$250,000 to include the recommended procedures. The Procurement Section and Finance Sections have fully implemented these

procedures.” In addition, Embassy Freetown separately provided an updated Freetown Procurement SOP and Market Research SOP in response to this recommendation.

OIG Reply: On the basis of Embassy Freetown’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. OIG reviewed the updated Freetown Procurement SOP and Market Research SOP provided by Embassy Freetown and determined that they met the intent of the recommendation for documenting how the price of the item was determined to be fair and reasonable and verifying and documenting that the vendor is not on the System for Award Management exclusions list. However, OIG notes that there were no procedures for establishing a bona fide need for the item to be purchased. In addition, the Freetown Procurement SOP directs procurement staff to review whether the procurement requester has “included brand and model numbers of the requested item,” which is not consistent with Department guidance. The Overseas Procurement Guide states that procurement staff “should solicit using salient characteristics, rather than a specific brand name and model, when obtaining competition that results in a [purchase order].”⁵⁹ Once brand and model number have been identified, they then need to be documented in the Purchase Order. This recommendation will be closed when OIG receives documentation demonstrating that Embassy Freetown has updated its Freetown Procurement SOP for all procurements under \$250,000 (the simplified acquisition threshold) to include procedures for establishing a bona fide need for the item to be purchased and identifying and documenting the brand and model number of the item being purchased.

Recommendation 3: OIG recommends that U.S. Embassy Freetown, Sierra Leone, review its procurement files, identify those (estimated at approximately 3,800) that should be closed, and closeout the procurement files accordingly.

Management Response: Embassy Freetown concurred with this recommendation, stating that the “Procurement Section has implemented a plan with the Finance Section to eliminate its backlog of procurement files by the end of the calendar year 2022.”

OIG Reply: On the basis of Embassy Freetown’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that Embassy Freetown has reviewed its procurement files, identified those (estimated at approximately 3,800) that should be closed, and closed the procurement files accordingly.

Recommendation 4: OIG recommends that U.S. Embassy Freetown, Sierra Leone, update its Freetown Procurement Standard Operating Procedure for procurements over \$10,000 but under the \$250,000 (the simplified acquisition threshold) to include procedures for (1) soliciting and documenting the solicitation of at least three quotations meeting the

⁵⁹ Overseas Procurement Guide, Chapter 2, “Simplified Acquisition,” V. SIMPLIFIED ACQUISITION PROCEDURES, F. End of Year Guidance (December 2017, and later revisions).

requirements of the acquisition or providing written justification supporting the lack of competition, (2) including applicable Federal Acquisition Regulations and Department of State Acquisition Regulation provisions in the purchase order, and (3) publicly posting and documenting the public posting of the procurement in the file for procurements expected to exceed \$15,000.

Management Response: Embassy Freetown concurred with this recommendation, stating that the “Procurement section has updated its Procurement Standard Operating Procedure for procurements over \$10,000 but under the \$250,000 to include the recommended procedures. The Procurement Section and Finance Sections have fully implemented these procedures.” In addition, Embassy Freetown separately provided an updated Freetown Procurement SOP and Market Research SOP in response to this recommendation.

OIG Reply: On the basis of Embassy Freetown’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. OIG reviewed the Freetown Procurement SOP and Market Research SOP provided by Embassy Freetown and determined that they identify the requirement for soliciting and documenting the solicitation of at least three quotations meeting the requirements of the acquisition. However, they do not include procedures for providing written justification supporting the lack of competition. In addition, although the Freetown Procurement SOP mentions the requirement for public posting, it does not outline procedures for posting. The Freetown Procurement SOP also does not contain procedures for including applicable Federal Acquisition Regulations and Department of State Acquisition Regulation provisions in the purchase order. This recommendation will be closed when OIG receives documentation demonstrating that Embassy Freetown has updated its Freetown Procurement SOP to include procedures for the following: providing written justification supporting the lack of competition, publicly posting and documenting the public posting of the procurement in the file for procurements expected to exceed \$15,000, and ensuring applicable Federal Acquisition Regulations and Department of State Acquisition Regulation provisions are included in the purchase order.

Recommendation 5: OIG recommends that U.S. Embassy Freetown, Sierra Leone, update its Auction Standard Operating Procedure to include procedures for (1) obtaining a delegation of authority if someone other than the Accountable Property Officer signs Form DS-132, Property Disposal Authorization and Survey Report, and (2) obtaining approval from the Property Management Officer before property can be disposed of by completing Form DS-132, Property Disposal Authorization and Survey Report.

Management Response: Embassy Freetown concurred with this recommendation, stating that the “Procurement section has updated its Auction Standard Operating Procedure to include the recommended procedures. The Warehouse Section has fully implemented these procedures.” In addition, Embassy Freetown separately provided an updated Auction SOP in response to this recommendation.

OIG Reply: Based on the actions taken, along with documentation provided by Embassy Freetown to demonstrate implementation, OIG considers this recommendation closed and no further action is required. OIG reviewed the Auction SOP provided by Embassy Freetown and determined that it included the procedures described in Recommendation 5.

Recommendation 6: OIG recommends that U.S. Embassy Freetown, Sierra Leone, develop and implement a process to track, verify, and document Procurement Section and Financial Management Office personnel compliance with mandatory training requirements consistent with their respective positions and responsibilities.

Management Response: Embassy Freetown concurred with this recommendation, stating that the “Human Resources section has created a Training Policy to include the recommended procedures for tracking, verifying and documenting training in the Procurement Section and Financial Section. The new Training Policy will be fully implemented by the end of Fiscal Year 2022.”

OIG Reply: On the basis of Embassy Freetown’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that Embassy Freetown has developed and implemented a process to track, verify, and document Procurement Section and Financial Management Office personnel compliance with mandatory training requirements consistent with their respective positions and responsibilities.

Recommendation 7: OIG recommends that U.S. Embassy Freetown, Sierra Leone, develop and implement a communication process to periodically inform Procurement Section and Financial Management Office personnel of their respective mandatory training requirements.

Management Response: Embassy Freetown concurred with this recommendation, stating that the “Human Resources section has created a Training Policy to include the recommended procedures for communicating training requirements to the Procurement Section and Finance Section. The new Training Policy will be fully implemented by the end of Fiscal Year 2022.”

OIG Reply: On the basis of Embassy Freetown’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that Embassy Freetown has developed and implemented a communication process to periodically inform Procurement Section and Financial Management Office personnel of their respective mandatory training requirements.

Recommendation 8: OIG recommends that U.S. Embassy Freetown, Sierra Leone, update its Freetown Procurement Standard Operating Procedure to include procedures for (1) conducting market research, vetting vendors, and ensuring competition; (2)

communicating with offices involved in the procurement process, including the Bureau of Overseas Buildings Operations, for purchases made for the Chief of Mission Residence and Deputy Chief of Mission Residence; (3) selecting appropriate object and funding codes; and (4) establishing monitoring activities.

Management Response: Embassy Freetown concurred with this recommendation, stating that the “Procurement section has updated its Procurement Standard Operating Procedure to include the recommended procedures. The Procurement Section and Finance Sections have fully implemented these procedures.” In addition, Embassy Freetown separately provided an updated Freetown Procurement SOP, Market Research SOP, and Freetown Procurement Oversight/Monitoring SOP in response to this recommendation.

OIG Reply: On the basis of Embassy Freetown’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. OIG reviewed the updated Freetown Procurement SOP and Market Research SOP provided by Embassy Freetown and determined that they met the intent of the recommendation for conducting market research, vetting vendors, and ensuring competition. However, although the Freetown Procurement SOP outlines procedures for communicating with other bureaus such as OBO, it does not outline procedures for communication with other offices within the embassy—for example, engaging with the Facilities Office to determine appropriate appliance specifications. The Freetown Procurement SOP also does not include procedures for selecting appropriate object and funding codes. Finally, OIG determined that the updated Freetown Procurement Oversight/Monitoring SOP also provided by Embassy Freetown does not explain how the procurement process will be monitored. This recommendation will be closed when OIG receives documentation demonstrating that Embassy Freetown has updated its SOPs to include procedures for (1) communicating with offices involved in the procurement process, including those within the embassy, (2) selecting appropriate object and funding codes, and (3) establishing monitoring activities.

RECOMMENDATIONS

Recommendation 1: OIG recommends that U.S. Embassy Freetown, Sierra Leone, establish internal controls to ensure compliance with 3 FAM 3246.3-6, "Purchase and Shipment of American Wine," which forbids the use of "excess year-end funds to purchase wine, invitations, or other representation supplies and materials that are not a bona fide need of that fiscal year."

Recommendation 2: OIG recommends that U.S. Embassy Freetown, Sierra Leone, update its Freetown Procurement Standard Operating Procedure for all procurements under \$250,000 (the simplified acquisition threshold) to include procedures (1) establishing a bona fide need for the item to be purchased, (2) identifying and documenting the brand and model number of the item being purchased, (3) documenting how the price of the item was determined to be fair and reasonable, and (4) verifying and documenting that the vendor is not on the System for Award Management exclusions list.

Recommendation 3: OIG recommends that U.S. Embassy Freetown, Sierra Leone, review its procurement files, identify those (estimated at approximately 3,800) that should be closed, and closeout the procurement files accordingly.

Recommendation 4: OIG recommends that U.S. Embassy Freetown, Sierra Leone, update its Freetown Procurement Standard Operating Procedure for procurements over \$10,000 but under the \$250,000 (the simplified acquisition threshold) to include procedures for (1) soliciting and documenting the solicitation of at least three quotations meeting the requirements of the acquisition or providing written justification supporting the lack of competition, (2) including applicable Federal Acquisition Regulations and Department of State Acquisition Regulation provisions in the purchase order, and (3) publicly posting and documenting the public posting of the procurement in the file for procurements expected to exceed \$15,000.

Recommendation 5: OIG recommends that U.S. Embassy Freetown, Sierra Leone, update its Auction Standard Operating Procedure to include procedures for (1) obtaining a delegation of authority if someone other than the Accountable Property Officer signs Form DS-132, Property Disposal Authorization and Survey Report, and (2) obtaining approval from the Property Management Officer before property can be disposed of by completing Form DS-132, Property Disposal Authorization and Survey Report.

Recommendation 6: OIG recommends that U.S. Embassy Freetown, Sierra Leone, develop and implement a process to track, verify, and document Procurement Section and Financial Management Office personnel compliance with mandatory training requirements consistent with their respective positions and responsibilities.

Recommendation 7: OIG recommends that U.S. Embassy Freetown, Sierra Leone, develop and implement a communication process to periodically inform Procurement Section and Financial Management Office personnel of their respective mandatory training requirements.

Recommendation 8: OIG recommends that U.S. Embassy Freetown, Sierra Leone, update its Freetown Procurement Standard Operating Procedure to include procedures for (1) conducting market research, vetting vendors, and ensuring competition; (2) communicating with offices involved in the procurement process, including the Bureau of Overseas Buildings Operations, for purchases made for the Chief of Mission Residence and Deputy Chief of Mission Residence; (3) selecting appropriate object and funding codes; and (4) establishing monitoring activities.

APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

The Office of Inspector General (OIG) conducted this audit to determine whether U.S. Embassy Freetown, Sierra Leone, implemented internal controls to manage the procurement process, including the purchase of selected goods identified by the embassy, in accordance with Department of State (Department) policies, procedures, and guidance.

OIG conducted this audit from November 2021 to May 2022 from the U.S. Consulate General Frankfurt, Germany. The scope of the audit was Embassy Freetown procurements initiated from FY 2018 through FY 2021. This audit was initiated in response to concerns OIG received from the U.S. Ambassador to Sierra Leone regarding several irregular procurements by embassy officials. Table A.1 describes the procurements identified by Embassy Freetown.

Table A.1: Descriptions of the Procurements OIG Reviewed

Order Number	Procurement Description	FY	Category	Cost
0933	Commercial electric range	18	Chief of Mission Residence	\$15,988.80
0927	Flowerpots	18	Chief of Mission Residence	\$7,500.00
0426	Iveco Minibus - School Bus	19	Motor Pool	\$119,505.00
0678	Heavy duty commercial washer/dryer	19	Chief of Mission Residence	\$3,469.30
0005	Commercial industrial washer/dryer	20	Chief of Mission Residence	\$14,800.00
0019	Wine	21	Representational Events	\$1,530.56
Total				\$162,793.66

Source: Generated by OIG from data obtained from the Integrated Logistics Management System.

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 faced challenges in completing this work because of the COVID-19 pandemic. These challenges included limitations on in-person meetings, difficulty accessing information, prohibitions on travel, and related difficulties within the Department, which affected its ability to respond to OIG requests for information on time. As a result of these limitations, OIG could not directly observe procurement processes or verify inventory for the furniture and appliance pool, office supplies, and spare auto parts. Despite these challenges, OIG was able to conduct its audit work remotely using teleconferences and electronic data requests and believes that the evidence obtained provides a reasonable basis for the findings and conclusions presented in this report.

To obtain background information, including criteria, OIG reviewed the Federal Acquisition Regulations, the Government Accountability Office's *Standards for Internal Controls in the Federal Government*, the Foreign Affairs Manual, the Foreign Affairs Handbook, the Overseas Procurement Guide, the Department of State Acquisition Regulations System, Department cables, and Embassy Freetown's standard operating procedures. OIG also interviewed officials from Embassy Freetown, the Bureau of African Affairs, the Bureau of Administration, and the

Bureau of Overseas Buildings Operations. To assess the internal controls over the procurement process, OIG reviewed procurement requests, purchase orders, vendor estimates, purchase approvals, invoices, funding mechanism, and receiving and payment documentation for selected purchases.

Data Reliability

OIG used computer-processed data to support the findings and conclusions presented in this report. Specifically, OIG used data from the Integrated Logistics Management System to confirm the reliability of the purchase requests that Embassy Freetown provided from FY 2020 to FY 2021. OIG tested the elements of the purchase requests—purchase request number, item descriptions, pre-order number, order number, vendor, date created, and requestor—against information obtained from the Integrated Logistics Management System and determined that they matched. Although OIG could not attest to the completeness of the data, OIG determined that the purchase requests data provided by Embassy Freetown was sufficiently reliable to fulfill the objective of this audit.

Sampling Methodology

In addition to reviewing the procurements of the six specific items that Embassy Freetown identified as concerns (Table A.1), OIG reviewed a sample of 18 procurements totaling \$82,881 in the same categories as the items of concern. To arrive at this sample, OIG obtained a list from Embassy Freetown of 2,000 procurements totaling \$7.8 million, made in FY 2020 and FY 2021. OIG removed procurements unrelated to the Chief of Mission Residence, spare auto parts, or office supplies, which were the categories of the procurements Embassy Freetown questioned. To ensure an impactful review of valuable procurements, OIG further removed procurements under \$500. The final sampling frame was 111 procurements. OIG then used a random sampling design to select 18 procurements related to the Chief of Mission Residence, spare auto parts, and office supplies. OIG chose three procurements from each fiscal year for each category. OIG tested the sample procurements to determine whether internal control deficiencies identified in the procurement process related to the FY 2018 through FY 2021 procurements were remediated on a timely basis. Specifically, OIG reviewed purchase requests, purchase orders, vendor estimates, purchase approvals, invoices, and funding for the selected items. The results of OIG’s testing are included in the results section of the report. Table A.2 provides details of the sampled procurements.

Table A.2: Descriptions of the Sampled Procurements OIG Reviewed

Order Number	Procurement Description	FY	Category	Cost*
0421	File dividers and document protectors	20	Office Supplies	\$827.70
0248	Notebooks, pens, paper, folders, envelopes, and markers	20	Office Supplies	\$3,290.65
0065	Toner	20	Office Supplies	\$7,557.50
0273	Rotor discs	20	Spare Auto Parts	\$16,203.20

Order Number	Procurement Description	FY	Category	Cost*
0030	Emergency blankets	20	Spare Auto Parts	\$795.00
0031	Water hauling generator for water truck	20	Spare Auto Parts	\$636.05
0104	Baking racks and deep roasting pans	20	Chief of Mission Residence	\$565.99
0497	Storage containers, including pantry, freezer, and refrigerator bins	20	Chief of Mission Residence	\$1,295.11
0457	Duvet cover and pillows	20	Chief of Mission Residence	\$522.37
0058	Badge holders, pens, envelopes, hot-melt tape, record books	21	Office Supplies	\$9,567.50
0005	Pens, markers, staplers, staples	21	Office Supplies	\$1,930.00
0284	Wall calendars	21	Office Supplies	\$1,748.50
0126	Clutch bearings, discs, and covers	21	Spare Auto Parts	\$8,745.52
0445	Clutch covers and oil pumps	21	Spare Auto Parts	\$4,300.68
0595	Shoes for embassy drivers	21	Spare Auto Parts	\$2,560.40
0393	Orthopedic mattress	21	Chief of Mission Residence	\$810.92
0284	Air conditioners	21	Chief of Mission Residence	\$2,575.80
0482	Patio furniture	21	Chief of Mission Residence	\$18,948.49
Total				\$82,881.38

* The cost may include applicable taxes, insurance, and shipping and handling.

Source: Generated by OIG from data obtained from the Integrated Logistics Management System.

Work Related to Internal Control

During the audit, OIG considered several factors, including the subject matter of the project, to determine whether internal control was significant to the audit objective. Based on its consideration, OIG determined that internal control was significant for 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*¹ 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 to 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*—Control Environment, Control Activities, and Monitoring—were significant to the audit objective. 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. 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 review. OIG also concluded that seven principles related to the selected components were significant to the audit objective as described in Table A.3.

Table A.3: Internal Control Components and Principles Identified as Significant

Components	Principles
Control Environment	<ul style="list-style-type: none"> • Principle 2: Exercise Oversight Responsibility – The oversight body should oversee the entity’s internal control system. • Principle 3: Establish Structure, Responsibility, and Authority – Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity’s objectives. • Principle 4: Demonstrate Commitment to Competence – Management should demonstrate a commitment to recruit, develop, and retain competent individuals.
Control Activities	<ul style="list-style-type: none"> • Principle 10: Design Control Activities – Management should design control activities to achieve objectives and respond to risks. • Principle 12: Implement Control Activities – Management should implement control activities through policies.
Monitoring	<ul style="list-style-type: none"> • Principle 16: Perform Monitoring Activities – Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. • Principle 17: Evaluate Issues and Remediate Deficiencies – Management should remediate identified internal control deficiencies on a timely basis.

Source: Generated by OIG 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 interviewed Department officials and reviewed supporting 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 the design and implementation of key internal controls. Specifically, OIG performed the following audit procedures.

Control Environment:

- Requested and reviewed documentation of the establishment of a body to oversee the procurement process and of an organizational structure from Embassy Freetown to determine the extent to which the embassy has implemented a control environment in accordance with Department policies, guidance, and procedures.
- Interviewed embassy officials to assess the extent to which Embassy Freetown implemented a control environment in accordance with Department policies, guidance, and procedures, including establishing a body to oversee the procurement process and an organizational structure with assigned responsibility and delegated authority to those key roles.
- Interviewed Embassy Freetown officials to understand what strategies and incentives they use to recruit and retain personnel involved in the procurement process.

- Interviewed embassy officials to understand the training requirements established for procurement personnel and whether management ensured that personnel received required training.
- Interviewed embassy procurement personnel to identify training taken and requested and reviewed supporting training documentation.
- Requested and reviewed documentation from Department officials to identify training recommendations and/or requirements for officials executing the procurement process at overseas posts.

Control Activities:

- Interviewed Embassy Freetown officials to establish their roles and responsibilities throughout the procurement process.
- Obtained, reviewed, and analyzed Embassy Freetown's procurement process flow.
- Interviewed Embassy Freetown officials to obtain an understanding of whether controls were in place to ensure that purchases were made in accordance with Department policies, guidance, and procedures.
- Reviewed procurement requests, purchase orders, vendor estimates, purchase approvals, invoices, vouchers, and funding mechanism for items in question to determine whether they were procured in compliance with Department requirements.
- Requested and reviewed procurement supporting documentation to determine whether procurement documentation is properly maintained in the electronic filing system.

Monitoring:

- Interviewed Department officials to gain an understanding of how monitoring of the procurement process is taking place, as well as the roles and responsibilities of management staff for conducting oversight.
- Requested and reviewed supporting documentation that demonstrates monitoring efforts occurred.
- Interviewed embassy officials to determine whether Embassy Freetown evaluated monitoring results.
- Requested monitoring results to determine how the results were used to remediate deficiencies.
- Tested a sample of selected procurements from FY 2020 to FY 2021 to determine if monitoring activities were evaluated and whether known internal control deficiencies have been addressed on a timely basis.

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.

Prior Office of Inspector General Reports

Audit of the Process To Prepare Residences for New Tenants at U.S. Embassy Cairo, Egypt, (AUD-MERO-22-23, March 2022). OIG reported that Embassy Cairo officials took steps to address some known internal control deficiencies; however, they had not been fully effective in safeguarding expenditures. For example, the costs of materials and labor hours recorded for some make-ready projects appeared high or unreasonable. In addition, embassy officials had not determined whether the frequent use of overtime for the make-ready process is necessary. OIG also found that Embassy Cairo was not accounting for make-ready costs in accordance with Department requirements. For example, officials incorrectly attributed time for staff such as welders and truck drivers to make-ready costs even when work did not relate to make-ready efforts. As a result, the embassy's reported costs were not representative of actual make-ready costs. OIG made 24 recommendations to improve internal controls and the management of the make-ready process. As of April 2022, all recommendations related to this audit were open.

Inspection of Embassy Freetown, Sierra Leone, (ISP-I-17-16, May 2017). OIG reported that Embassy Freetown was still recovering from its response to the Ebola crisis. Embassy Freetown reported no significant internal controls deficiencies in its 2016 Statement of Assurance, but OIG identified 22 internal control deficiencies during its 2016 inspection. OIG made 18 recommendations to address the deficiencies identified. For example, Recommendation 14 states that Embassy Freetown should request, appoint, and train Contracting Officer's Representatives in accordance with Department standards. Additionally, Recommendation 18 states that Embassy Freetown should establish a records management program in accordance with Department guidelines. All recommendations offered to Embassy Freetown related to this inspection have been closed.

Audit of the Administration and Oversight of Contracts and Grants Within the Bureau of African Affairs, (AUD-CG-14-31, August 2014). OIG reported that the Bureau of African Affairs oversight personnel in Sierra Leone accepted equipment purchased for the African Union and United Nations peacekeeping missions that did not meet contracted specifications and paid \$162,000 for a latrine built at the Peace Support Operations Training Center that did not meet contract specifications. OIG found that the Contracting Officer did not hold contractors accountable for performance in these instances. Additionally, OIG found that Embassy Freetown used government-furnished equipment costing \$1.5 million for purposes other than those for which the equipment was intended. For example, the government-furnished equipment was used to service embassy personnel's personal vehicles. OIG made 24 recommendations directed to the Bureau of Administration, Office of the Procurement Executive, and the Bureau of African Affairs. All recommendations offered have been closed.

APPENDIX B: U.S. EMBASSY FREETOWN RESPONSE



EMBASSY OF THE UNITED STATES OF AMERICA
OFFICE OF THE AMBASSADOR
FREETOWN, SIERRA LEONE

June 28, 2022

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Mr. Norman P. Brown
Assistant Inspector General for Audits

Dear Mr. Brown:

In response to your June 16 letter on the Embassy Freetown OIG Audit, please find post's response below.

Recommendation 1: OIG recommends that U.S. Embassy Freetown, Sierra Leone, establish internal controls to ensure compliance with 3 FAM 3246.3-6, "Purchase and Shipment of American Wine," which forbids the use of "excess year-end funds to purchase wine, invitations, or other representation supplies and materials that are not a bona fide need of that fiscal year."

Management Response 2: Embassy Freetown concurs with this recommendation. Embassy Freetown Procurement section has updated its Procurement Standard Operating Procedure to include processes to ensure compliance with 3 FAM 3246.3-6. The Procurement Section and Finance Sections have fully implemented these procedures.

Recommendation 2: OIG recommends that U.S. Embassy Freetown, Sierra Leone, update its Freetown Procurement Standard Operating Procedure for all procurements under \$250,000 (the simplified acquisition threshold) to include procedures (1) establishing a bona fide need for the item to be purchased, (2) identifying and documenting the brand and model number of the item being purchased, (3) documenting how the price of the item was determined to be fair and reasonable, and (4) verifying and documenting that the vendor is not on the System for Award Management exclusions list.

Management Response 2: Embassy Freetown concurs with this recommendation. Embassy Freetown Procurement section has updated its Procurement Standard Operating Procedure for all procurements under \$250,000 to include the recommended procedures. The Procurement Section and Finance Sections have fully implemented these procedures.

Recommendation 3: OIG recommends that U.S. Embassy Freetown, Sierra Leone, review its procurement files, identify those (estimated at approximately 3,800) that should be closed, and closeout the procurement files accordingly.

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Management Response 3: Embassy Freetown concurs with this recommendation. Embassy Freetown Procurement Section has implemented a plan with the Finance Section to eliminate its backlog of procurement files by the end of the calendar year 2022.

Recommendation 4: OIG recommends that U.S. Embassy Freetown, Sierra Leone, update its Freetown Procurement Standard Operating Procedure for procurements over \$10,000 but under the \$250,000 (the simplified acquisition threshold) to include procedures for (1) soliciting and documenting the solicitation of at least three quotations meeting the requirements of the acquisition or providing written justification supporting the lack of competition, (2) including applicable Federal Acquisition Regulations and Department of State Acquisition Regulation provisions in the purchase order, and (3) publicly posting and documenting the public posting of the procurement in the file for procurements expected to exceed \$15,000.

Management Response 4: Embassy Freetown concurs with this recommendation. Embassy Freetown Procurement section has updated its Procurement Standard Operating Procedure for procurements over \$10,000 but under the \$250,000 to include the recommended procedures. The Procurement Section and Finance Sections have fully implemented these procedures.

Recommendation 5: OIG recommends that U.S. Embassy Freetown, Sierra Leone, update its Auction Standard Operating Procedure to include procedures for (1) obtaining a delegation of authority if someone other than the Accountable Property Officer signs Form DS-132, Property Disposal Authorization and Survey Report, and (2) obtaining approval from the Property Management Officer before property can be disposed of by completing Form DS-132, Property Disposal Authorization and Survey Report.

Management Response 5: Embassy Freetown concurs with this recommendation. Embassy Freetown Procurement section has updated its Auction Standard Operating Procedure to include the recommended procedures. The Warehouse Section has fully implemented these procedures.

Recommendation 6: OIG recommends that U.S. Embassy Freetown, Sierra Leone, develop and implement a process to track, verify, and document Procurement Section and Financial Management Office personnel compliance with mandatory training requirements consistent with their respective positions and responsibilities.

Management Response 6: Embassy Freetown concurs with this recommendation. Embassy Freetown Human Resources section has created a Training Policy to include the recommended procedures for tracking, verifying and documenting training in the Procurement Section and Financial Section. The new Training Policy will be fully implemented by the end of Fiscal Year 2022.

Recommendation 7: OIG recommends that U.S. Embassy Freetown, Sierra Leone, develop and implement a communication process to periodically inform Procurement Section and Financial Management Office personnel of their respective mandatory training requirements.

Management Response 7: Embassy Freetown concurs with this recommendation. Embassy Freetown Human Resources section has created a Training Policy to include the recommended procedures for communicating training requirements to the Procurement Section and Finance Section. The new Training Policy will be fully implemented by the end of Fiscal Year 2022.

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Recommendation 8: OIG recommends that U.S. Embassy Freetown, Sierra Leone, update its Freetown Procurement Standard Operating Procedure to include procedures for (1) conducting market research, vetting vendors, and ensuring competition; (2) communicating with offices involved in the procurement process, including the Bureau of Overseas Buildings Operations, for purchases made for the Chief of Mission Residence and Deputy Chief of Mission Residence; (3) selecting appropriate object and funding codes; and (4) establishing monitoring activities.

Management Response: Embassy Freetown concurs with this recommendation. Embassy Freetown Procurement section has updated its Procurement Standard Operating Procedure to include the recommended procedures. The Procurement Section and Finance Sections have fully implemented these procedures.

Thank you for the OIG's time and effort in aiding post.

Sincerely,



David D. Reimer
Ambassador

Cc: AF/FO Molly Phee, Assistant Secretary

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ABBREVIATIONS

FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
FMO	Financial Management Officer
GSO	General Services Officer
HRO	Human Resources Officer
ICASS	International Cooperative Administrative Support Services
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
SOP	standard operating procedure

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