



**OIG**

**Office of Inspector General**

U.S. Department of State • Broadcasting Board of Governors

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AUD-ACF-17-55

Office of Audits

July 2017

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**Management Assistance Report:  
Department Attention Needed to  
Address Overdue Responses on Selected  
Open Recommendations**

COMPLIANCE AND FOLLOWUP DIVISION

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## Summary of Review

The purpose of this Management Assistance Report is to facilitate the prompt closure of selected open Office of Audits recommendations by bringing them to the attention of the Under Secretary for Management. As of May 31, 2017, 11 audit report recommendations—made to 3 bureaus that had not responded to OIG inquiries concerning the status of actions to implement those recommendations—remained open. In each instance, a response from the bureau was overdue by 4 months or more.<sup>1</sup>

The Office of Management and Budget (OMB) Circular No. A-50, "Audit Followup," requires agencies to promptly and properly resolve and implement audit recommendations. As required by the Foreign Affairs Manual (FAM), the Under Secretary for Management is designated as the Department of State's (Department) OIG Follow-up Official and is responsible for ensuring that (1) timely responses are made to all OIG recommendations, regardless of implementation responsibilities, (2) disagreements are resolved, and (3) corrective actions are actually taken.<sup>2</sup> The Under Secretary for Management provides management oversight of the Department's operational platform and facilities. Accordingly, this individual has particular responsibility for the recommendations discussed in this report.

After issuing a draft of this report, OIG received documentation from three separate bureaus, related to 10 of the 11 recommendations mentioned in this report. As a result, OIG was able to close five of the recommendations and changed the status of two unresolved recommendations, thereby leaving a total of six recommendations resolved, pending further action. These recommendations will be closed when OIG receives and accepts documentation that demonstrates the recommendations have been fully implemented or an acceptable alternative to implement the intent of the recommendation is agreed upon.

With respect to the two recommendations made to the Office of the Under Secretary for Management, OIG considers one closed and one open. Specifically, OIG received responses from three separate bureaus regarding planned actions for previously unresolved recommendations; therefore, this recommendation is closed. However, OIG has not received a status of actions for one recommendation or evidence sufficient to close the other five open recommendations. As such, this recommendation will remain open until OIG receives a plan of action from the Under Secretary or obtains sufficient evidence that the six open recommendations have been fully implemented. In addition, OIG will continue to track the implementation of these open recommendations and report the status in OIG's Semiannual Report to Congress.

A synopsis of management's response to the recommendations made to the Office of the Under Secretary and OIG's reply follow each recommendation in the Conclusion section of this report. The written response is reprinted in its entirety in Appendix A.

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<sup>1</sup> These 11 recommendations from 5 reports reflect only those open recommendations with responses that are overdue for 120 days or longer and are not the totality of open recommendations and reports addressed to the bureaus.

<sup>2</sup> Dept. of State, 1 FAM 044.1 (10).

## OBJECTIVE

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The purpose of this Management Assistance Report is to facilitate the prompt closure of selected open Office of Audits recommendations by bringing them to the attention of the Under Secretary for Management. OIG performed this assessment by compiling compliance data and related information about OIG's open report recommendations.

## BACKGROUND

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### Responsibilities of the Under Secretary for Management

The Under Secretary for Management is responsible for providing the operational platform and facilities that the United States needs to carry out its foreign policy mission. These responsibilities include management of the people, resources, budget, facilities, technology, financial operations, consular affairs, logistics, contracting, and security that are needed for Department operations; more generally, the Under Secretary for Management is the Secretary's principal advisor on management issues. In addition, the Under Secretary for Management is designated as the Department's OIG Follow-up Official and is to ensure that (1) timely responses are made to all OIG recommendations, regardless of implementation responsibilities, (2) disagreements are resolved, and (3) corrective actions are actually taken.<sup>3</sup>

### Audit Follow-up Process

OMB Circular No. A-50, "Audit Followup,"<sup>4</sup> requires each agency to ensure that systems are in place to promptly and properly resolve and implement audit recommendations, including written corrective actions plans, when appropriate. Similarly, the Foreign Affairs Manual establishes Department policies for audit resolution, follow-up, and closure.

OIG considers a recommendation unresolved, resolved, or closed on the basis of actions that the Department has taken or plans to take in response to the recommendation. A recommendation is considered unresolved if the Department has neither taken action nor stated how it plans to implement the recommendation. A recommendation is considered resolved when the Department has agreed to implement the recommendation or has begun—but has not yet completed—actions to fully implement the recommendation. Open recommendations include both unresolved and resolved recommendations. A recommendation is considered closed when the Department has completed actions necessary to implement the recommendation or has provided OIG with evidence of the final completed actions or other justifications and OIG has reviewed the evidence provided and determined that no additional action is required.

When issuing a final Office of Audits report, OIG instructs action entities, responsible bureaus, and overseas posts to provide a written response to OIG for each recommendation within 30 days from the date issued. OIG requires that each response to the final report include a

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<sup>3</sup> Dept. of State, 1 FAM 044.1 (10).

<sup>4</sup> OMB Circular No. A-50 Revised, "Audit Followup" (September 29, 1982).

management decision indicating agreement or disagreement with the recommended action. When agreement is reached, the response should include corrective actions taken or planned, as well as actual or target dates for completion. When disagreement is expressed, the response should include the reasons for disagreement and any alternative proposals for corrective action. OIG reviews the responses and any supporting documentation and replies to the action entity. After the initial response, updates on corrective actions and responses to subsequent OIG correspondence are typically required within 30 days to 90 days, depending on the complexity of the recommendation. This process continues until the action entity completes corrective actions that fully address the intent of the recommendation and provides OIG with documentary evidence of the completed actions. At that time, OIG verifies the actions, closes the recommendation, and notifies the action entity that no further action is required.

In accordance with the *Inspector General Act of 1978*, as amended,<sup>5</sup> OIG is required semiannually to provide Congress with a summary of each OIG report issued for which no management decision was made during the previous 6-month period. Heads of agencies are required to report to Congress on significant recommendations from previous semiannual reports on which final action has not been completed.

## RESULTS

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As of May 31, 2017, 11 audit report recommendations—made to 3 bureaus that have not responded to OIG inquiries concerning the status of actions to implement those recommendations—remain open. These are addressed to the Bureaus of Conflict and Stabilization Operations (CSO), Medical Services (MED), and Overseas Buildings Operations (OBO). In each instance, a response from the bureau is overdue by 4 months or more. The 11 recommendations were made in 5 separate audit reports and address management issues related to funds, grants, and controlled and non-controlled drugs. Table 1 lists the bureau that had not responded, the corresponding report number, the number of recommendations requiring responses, the original due date, and the number of days the responses are overdue.

**Table 1: Bureaus With Significantly Overdue Responses to OIG as of May 31, 2017**

Bureau	Report Number	Recommendations	Response Due Date	Days Overdue
CSO	AUD-MERO-15-39	1	6/21/2016	345
MED	AUD-CGI-15-32	3	6/15/2016	351
MED	AUD-CGI-16-40	2	1/24/2017	128
OBO	AUD-MERO-13-33	1	12/28/2015	521
OBO	AUD-ACF-16-20	4	11/14/2016	199
<b>Total</b>		<b>11</b>		

**Source:** Generated by OIG on the basis of audit compliance data as of May 31, 2017.

On June 21, 2017, OIG provided the Under Secretary with a draft of this report for review and comment and provided courtesy copies to the three bureaus mentioned in this report. On July

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<sup>5</sup> 5 USC App. § 5.

17, 2017, the Under Secretary provided written comments in response to a draft of this report, concurring with both recommendations, stating that he would issue a memo to the applicable Assistant Secretaries or equivalents, directing them to notify the OIG of the status of the recommendations considered resolved or unresolved as referenced in the report, within the 30-day time limit. Subsequent to the issuance of a draft of this report, OIG received evidence of actions planned or taken by the three bureaus to implement 10 of the 11 recommendations in 4 of the 5 reports referenced. As a result, five resolved recommendations were closed and the two unresolved recommendations were resolved. Consequently, at the issuance of this report, six recommendations remain resolved, pending further action.

**Table 2: Six Open Recommendations Requiring Final Action as of July 17, 2017**

Bureau	Report Number	Recommendations	Date of Last Response	Status
MED	AUD-CGI-16-40	1	7/6/2017	Resolved
OBO	AUD-MERO-13-33	1	12/28/2015	Resolved
OBO	AUD-ACF-16-20	4	7/7/2017	Resolved
<b>Total</b>		<b>6</b>		

**Source:** Generated by OIG on the basis of audit compliance data as of July 17, 2017.

## Reports With Open Recommendations Awaiting Final Action and Closure

### *AUD-MERO-15-39 - Audit of Department of State Management and Oversight of Non-Lethal Assistance Provided for the Syrian Crisis*

Report Details: In this September 2015 report, OIG reported weaknesses in the monitoring of non-lethal assistance provided to address the Syrian crisis, as well as incomplete risk assessments and missing or poor quality monitoring plans. Specifically, OIG reported instances where the Grants Officer and the Grants Officer Representative did not develop monitoring plans that met Department requirements. Most relevant to this Management Assistance Report, the monitoring plan for the CSO cooperative agreement to provide equipment to the Syrian opposition did not identify the type of monitoring efforts and was approved after award issuance. These weaknesses affected the responsible bureaus' ability to ensure that award recipients performed required program activities and that the awards achieved their intended outcomes. OIG made 10 recommendations to the 4 responsible bureaus to improve the management and oversight of the awards.

Compliance Activities: CSO has not provided OIG with documentation that would support closing the recommendation made in this report, and its response is overdue.<sup>6</sup> This report was issued September 10, 2015. CSO provided one status update on October 9, 2015, but has not responded to OIG's request for further information on planned corrective actions. OIG provided monthly notices to CSO on its outstanding recommendation from this report throughout FY 2016. As of May 31, 2017, OIG had not received a response from CSO. On June 30, 2017, CSO provided OIG with documentation to support closing the open recommendation from this report.

<sup>6</sup> The other nine recommendations to the other three bureaus are closed.

The following was CSO's open recommendation from AUD-MERO-15-39 and its current status:

**Recommendation 9.** OIG recommended that the Bureau of Conflict and Stabilization Operations develop and implement a process to verify that Grants Officers and Grants Officers Representatives develop monitoring plans that comply with the Federal Assistance Policy Directive, Subchapter 3.01-A, "Monitoring Plan," at the onset of any solicitation of applications for assistance award and that the plans identify specific baselines and targets that will allow the Department of State to adequately assess the recipient's performance.

**Status (May 31, 2017): Resolved, pending further action.** OIG requests that CSO either provide evidence demonstrating that it has taken actions that justify closing the recommendation or notify OIG of the planned corrective actions and target dates for their completion.

After receiving a draft of this report, CSO provided OIG with evidence that it completed actions to meet the intent of this recommendation.

**Present Status: Closed, no further action required.**

### ***AUD-CGI-15-32 - Audit of Overseas Health Units Administration of Controlled and Non-Controlled Drugs***

Report Details: In this June 2015 report, OIG reported that five of the six health units visited stocked controlled drugs and had sufficient procedures in place to account for these drugs. However, none of the six health units visited could fully account for non-controlled drugs, including vaccines, prescription drugs, and over-the-counter medications, throughout the entire medical supply process. In addition, MED had not provided standard operating procedures for guiding health units to maintain effective controls and procedures in managing the medical supply process for non-controlled drugs. Similarly, MED did not provide health units with an electronic inventory system capable of tracking the receipt, dispensing, disposal, and transfer of non-controlled drugs. Medical staff operating health units did not receive pharmacy administration training. Although OIG did not find any instances in which health units were not maintaining adequate drug inventory levels to meet the needs of the diplomatic community, health units could not reconcile their annual inventories with property records as required by the FAM. Without systemic controls to account for the medical supply process, the risk of undetected theft, diversion, or waste of non-controlled drugs increases. OIG made three recommendations to MED to provide the needed systemic controls and systems.

Compliance Activities: MED has not provided OIG with documentation that would support closing the recommendations made in this report, and its response is overdue. This report was issued June 4, 2015. MED provided two status updates on June 24, 2015, and November 25, 2015, but has not responded to OIG's requests for further information on planned corrective actions or on completed actions. OIG provided monthly notices to MED on its outstanding recommendations from this report throughout FYs 2015 and 2016. As of May 31, 2017, OIG had

not received a response from MED. On July 5, 2017, MED provided OIG with documentation to support closing the three open recommendations from this report.

The following were MED's open recommendations from AUD-CGI-15-32 and their current status:

**Recommendation 1.** OIG recommended that the Office of Medical Services develop and issue standardized procedures for overseas Health Units to maintain effective controls and procedures for the ordering, receiving, dispensing, transferring, and disposing of non-controlled drugs, including vaccines.

**Status (May 31, 2017): Resolved, pending further action.** OIG requests that MED either provide evidence demonstrating that it has taken actions that justify closing the recommendation or notify OIG of the planned corrective actions and target dates for their completion.

After receiving a draft of this report, MED provided OIG with evidence that it completed actions to meet the intent of this recommendation.

**Present Status: Closed, no further action required.**

**Recommendation 2.** OIG recommended that the Office of Medical Services establish procedures for implementing an automated inventory system for pharmaceuticals.

**Status (May 31, 2017): Resolved, pending further action.** OIG requests that MED either provide evidence demonstrating that it has taken actions that justify closing the recommendation or notify OIG of the planned corrective actions and target dates for their completion.

After receiving a draft of this report, MED provided OIG with evidence that it completed actions to meet the intent of this recommendation.

**Present Status: Closed, no further action required.**

**Recommendation 3.** OIG recommended that the Office of Medical Services develop and implement training for Foreign Service medical provider personnel related to pharmacy administration.

**Status (May 31, 2017): Resolved, pending further action.** OIG requests that MED either provide evidence demonstrating that it has taken actions that justify closing the recommendation or notify OIG of the planned corrective actions and target dates for their completion.

After receiving a draft of this report, MED provided OIG with evidence that it completed actions to meet the intent of this recommendation.

Present Status: Closed, no further action required.

***AUD-CGI-16-40 - Audit of the Aeromedical Biological Containment Evacuation Contracts Within the Bureau of Medical Services***

**Report Details:** In this August 2016 report, OIG reported that, although the Office of Acquisitions Management (A/LM/AQM) and MED generally administered and provided oversight of the aeromedical biocontainment evacuation contracts in accordance with requirements, some related internal controls should be strengthened to ensure these weaknesses do not become deficiencies in future aeromedical evacuation missions. Specifically, the A/LM/AQM quality assurance surveillance plans lacked a methodology to measure and document the contractor's performance. Also, MED did not adequately segregate duties over the procurement and contracting practices, have a method to track the usage of emergency Ebola funds, or have a formal process in place to invoice for non-Department aeromedical biocontainment evacuations reimbursement. OIG made one recommendation to A/LM/AQM and three recommendations to MED to address the weaknesses identified in this report.

**Compliance Activities:** MED has not provided OIG with documentation that would support closing two of the recommendations made in this report, and its response is overdue. This report was issued August 4, 2016. MED provided one status update on September 30, 2016, which provided sufficient information for OIG to close one of the three recommendations to MED. On November 21, 2016,<sup>7</sup> OIG requested that MED provide further information on planned corrective actions and documentation on completed actions on the other two open recommendations. As of May 31, 2017, OIG had not received a response from MED. On June 21, 2017, MED provided OIG with documentation to support closing one of two open recommendations from this report. On July 6, 2017, MED provided OIG with a corrective action plan to meet the intent of the other open recommendation.

The following were MED's open recommendations from AUD-CGI-16-40 and their current status:

**Recommendation 3.** OIG recommended that the Bureau of Medical Services develop and implement a method to adequately track and report the use of emergency funds related to the Ebola appropriation and other emergency funds appropriated by Congress.

**Status (May 31, 2017): Resolved, pending further action.** OIG requests that MED either provide evidence demonstrating that it has taken actions that justify closing the recommendation or notify OIG of the planned corrective actions and target dates for their completion.

After receiving a draft of this report, MED provided OIG with evidence that it completed actions to meet the intent of this recommendation.

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<sup>7</sup> Record email: No. 16MDA23676, *Compliance - Audit of the Aeromedical Biological Containment Evacuation Contracts Within MED (AUD-CGI-16-40)*, November 21, 2016.

**Present Status: Closed, no further action required.**

**Recommendation 4.** OIG recommended the Bureau of Medical Services develop and implement procedures for processing invoices, billing, and collecting reimbursements for non-Department of State medical evacuations.

**Status (May 31, 2017): Resolved, pending further action.** OIG requests that MED either provide evidence demonstrating that it has taken actions that justify closing the recommendation or notify OIG of the planned corrective actions and target dates for their completion.

After receiving a draft of this report, MED provided OIG with a corrective action plan, including milestones for implementation, for meeting the intent of the recommendation.

**Present Status: Resolved, pending further action.** This recommendation will be closed when OIG receives and accepts documentation demonstrating that MED has developed and implemented procedures for processing invoices, billing, and collecting reimbursements for non-Department medical evacuations.

### **AUD-MERO-13-33 - *Audit of the U.S. Mission Iraq Staffing Process***

Report Details: In this August 2013 report, OIG reported that the process for determining U.S. Mission Iraq staffing requirements did not include a systematic analysis that fully considered U.S. foreign policy priorities in Iraq. With respect to U.S. Mission Iraq infrastructure and construction requirements, no plan linked those requirements to the mission's staffing plans. Although OBO developed the Baghdad Master Plan before the transition from a military-led mission to a civilian-led mission in Iraq, that plan became obsolete during 2012 because the United States reduced its presence in the country. Construction of a new consulate compound in Erbil and, potentially, in Basrah and maintenance requirements for diplomatic facilities represent significant one-time and recurring future costs.<sup>8</sup> The size and cost of new diplomatic facilities depend on the number and type of staff who will work and live in them. Consequently, the recommended staffing analysis is particularly important because without a clear understanding of the number and type of staff who will live and work in new facilities, the Department cannot effectively decide on the size of these facilities, nor can it assess construction and maintenance costs. OIG made two recommendations to Embassy Baghdad and one to OBO to address the deficiencies found.

Compliance Activities: OBO has not provided OIG with documentation that would support closing the recommendation made in this report, and its response is overdue. This report was issued on August 13, 2013. The last status update received from OBO on this recommendation was on August 26, 2015. On September 25, 2015, OIG requested that OBO provide further

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<sup>8</sup> As of May, 2017, previously delayed plans for construction of the Consulate at Erbil are restarting but construction at Basrah has stopped.

information on planned corrective actions related to Iraq staffing changes<sup>9</sup> but has not received any further updates. On July 5, 2016,<sup>10</sup> OIG sent OBO an overdue notice requesting a response but did not receive one. Additionally, OIG provided monthly notices to OBO on its outstanding recommendation from this report throughout FY 2016. As of July 17, 2017, OIG has not received a response from OBO.

The following is OBO's open recommendation from AUD-MERO-13-33 and its current status:

**Recommendation 3.** OIG recommended that the Bureau of Overseas Buildings Operations, in coordination with U.S. Embassy Baghdad, develop a strategic facilities plan for construction and maintenance that reflects the results of a systematic analysis of staffing requirements.

**Status (May 31, 2017): Resolved, pending further action.** OIG requests that OBO either provide evidence demonstrating that it has taken actions that justify closing the recommendation or notify OIG of the planned corrective actions and target dates for their completion.

Although provided with a draft of this report, OBO did not respond or provide OIG with a corrective action plan to meet the intent of the recommendation.

**Present Status: Resolved, pending further action.** OIG requests that OBO provide evidence demonstrating that it has taken actions justifying closing this recommendation or notify OIG of the planned corrective actions and target dates for completion.

### ***AUD-ACF-16-20 - Compliance Follow-up Audit of the Process To Request and Prioritize Physical Security-Related Activities at Overseas Posts***

Report Details: In this December 2015 report, OIG reported that the Department had taken action to address 3 of 10 recommendations in a March 2014 report<sup>11</sup> but had not fully addressed the other 7. Specifically, the Bureau of Diplomatic Security developed—but did not fully implement—a Physical Security Survey SharePoint Site and a Deficiencies Database. OBO still had not documented all formal requests made by posts for physical security funding, including the disposition of those requests. OBO was also waiting to act until the Deficiencies Database was complete.<sup>12</sup> Until recommendations intended to improve the process to request and prioritize

<sup>9</sup> In its responses to the report, including its August 2015 response, OBO stated it could not complete action until staffing plans were completed. On March 18 and April 3, 2017, Embassy Iraq and the Bureau of Near Eastern Affairs, respectively, provided documentation showing evidence of the completion of multiple staffing analyses and reviews between 2014 and 2016, with the most recent being in August 2016.

<sup>10</sup> Record email: No. 16MDA13680, *Compliance Overdue Notice - Audit of the U.S. Mission Staffing Process* (AUD-MERO-13-33, July 2016).

<sup>11</sup> *Audit of the Process to Request and Prioritize Physical Security-Related Activities at Overseas Posts* (AUD-FM-14-17, March 2014).

<sup>12</sup> DS reported in September 2016 that it provided OBO an initial database report on August 5, 2016, and reported that as of May 30, 2017, more than 90 percent of the security surveys used to update the database were complete.

physical security needs are fully implemented, the Department will be unable to identify and address all physical security-related deficiencies and will be unable to make fully informed funding decisions based on a comprehensive list of physical security needs. OIG reissued three recommendations and made six new recommendations—five of these nine recommendations were to the Bureau of Diplomatic Security and four to OBO.

**Compliance Activities:** OBO has not provided OIG with documentation that would support closing the four recommendations made in this report, and its response is overdue. This report was issued December 15, 2015. The last status update received from OBO on this recommendation was on June 10, 2016. On September 15, 2016, OIG requested that OBO provide further information on planned corrective actions or completed actions but has not received any further updates. OIG provided a notice to OBO on its outstanding recommendations from this report in October 2016. As of May 31, 2017, OIG had not received a response from OBO. On July 7, 2017, OBO provided OIG with corrective action plans for the four open recommendations.

The following are OBO's four open recommendations from AUD-ACF-16-20 and their current status:

**Recommendation 6.** OIG recommended that the Bureau of Overseas Buildings Operations develop and implement a method to track the funding status of every physical security deficiency identified by the Bureau of Diplomatic Security in the Deficiencies Database.

**Status (May 31, 2017): Unresolved.** OIG requests that OBO either notify OIG of the status of actions to implement the recommendation and provide evidence demonstrating that it has taken actions that justify closing the recommendation or provide OIG an alternative correction plan that fulfills the intent of the recommendation and corrects the identified deficiency.

After receiving a draft of this report, OBO provided OIG with a corrective action plan for meeting the intent of the recommendation.

**Present Status: Resolved, pending further action.** This recommendation will be closed when OIG receives and accepts documentation demonstrating that OBO has developed and implemented a method to track the funding status of every physical security deficiency identified in the Deficiencies Database.

**Recommendation 7.** OIG recommended that the Bureau of Overseas Buildings Operations, in coordination with the Bureau of Diplomatic Security, develop and implement formal standardized processes to prioritize physical security-related deficiencies at posts by category, such as major physical security upgrades, forced-entry/ballistic-resistant projects, and minor physical security upgrades. The prioritizations should be performed based a comprehensive list of all physical security needs and should be periodically updated based on[on the basis of] changes in risk factors or posts' needs. The processes used to perform the prioritizations should be documented and

repeatable. In addition, in developing the processes, consideration should be given to how the Overseas Security Policy Board standards will be utilized, what risk factors will be considered, and what impact upcoming major rehabilitation projects or new construction would have on the prioritized rankings.

**Status (May 31, 2017): Resolved, pending further action.** OIG requests that OBO either provide evidence demonstrating that it has taken actions that justify closing the recommendation or notify OIG of the planned corrective actions and target dates for their completion.

After receiving a draft of this report, OBO provided OIG with a corrective action plan for meeting the intent of the recommendation.

**Present Status: Resolved, pending further action.** This recommendation will be closed when OIG receives and accepts documentation demonstrating that OBO has developed and implemented formal standardized processes to prioritize physical security-related deficiencies at posts by category.

**Recommendation 8.** OIG recommended that the Bureau of Overseas Buildings Operations, in coordination with the Bureau of Diplomatic Security, develop and issue a Long-Range Physical Security Plan.

**Status (May 31, 2017): Resolved, pending further action.** OIG requests that OBO either provide evidence demonstrating that it has taken actions that justify closing the recommendation or notify OIG of the planned corrective actions and target dates for their completion.

After receiving a draft of this report, OBO provided OIG with a corrective action plan for meeting the intent of the recommendation.

**Present Status: Resolved, pending further action.** This recommendation will be closed when OIG receives and accepts documentation demonstrating that OBO has developed and issued a Long-Range Physical Security Plan.

**Recommendation 9.** OIG recommends that the Bureau of Overseas Buildings Operations develop and implement a process to respond to posts' formal requests for physical security-related funding, which should include commitments to respond within certain timeframes.

**Status (May 31, 2017): Unresolved.** OIG requests that OBO either notify OIG of the status of actions to implement the recommendation and provide evidence demonstrating that it has taken actions that justify closing the recommendation or provide OIG an alternative correction plan that fulfills the intent of the recommendation and corrects the identified deficiency.

After receiving a draft of this report, OBO provided OIG with a corrective action plan for meeting the intent of the recommendation.

**Present Status: Resolved, pending further action.** This recommendation will be closed when OIG receives and accepts documentation demonstrating that OBO has developed and implemented a process to respond to posts' formal requests for physical security-related funding, including commitments to respond within certain timeframes.

## CONCLUSION

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Audit resolution and follow-up is essential to the audit process. It ensures that management has taken timely and complete actions in response to audit findings and recommendations. The Department's audit resolution and follow-up process is an essential responsibility of senior management and provides an important mechanism to improve program performance.<sup>13</sup>

OIG prepared this report under its audit compliance and follow-up responsibilities as stated in OMB Circular A-50, 1 FAM 056 *Audit and Inspection Recommendation Compliance*, and OIG's Office of Audits Manual and is based on information contained in the five audits performed in accordance with generally accepted government auditing standards and OIG's compliance tracking database and files. OIG believes that the evidence presented provides a reasonable basis for the findings and conclusions found in this report and trusts that this Management Assistance Report will be useful in completing the actions necessary to justify closing the open recommendations identified in this report.

To facilitate closing the open recommendations, OIG made the following recommendations to the Under Secretary for Management.

**Recommendation 1:** OIG recommends that, for recommendations considered resolved, the Under Secretary for Management direct the applicable bureau to notify OIG of the status of actions taken to implement the recommendations identified in this report and provide evidence demonstrating that the bureau has taken actions that justify closing the recommendations. Bureaus are to submit the status of actions taken and documented evidence to support closing the recommendations to [audcompliance@stateoig.gov](mailto:audcompliance@stateoig.gov) within 30 days.

**Management Response:** The Office of the Under Secretary for Management concurred with the recommendation and plans to issue a memo to the applicable Assistant Secretaries or equivalents, directing them to notify the OIG of the status of the recommendations within the 30-day time limit. Additionally, after receiving a draft of this report, 3 separate bureaus provided status updates for 10 of the 11 recommendations referenced in this report.

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<sup>13</sup> Dept. of State, 1 FAM 044.1 (10).

**OIG Reply:** On the basis of the Under Secretary's response, OIG considers this recommendation resolved. This recommendation will be closed when OIG receives and accepts sufficient evidence to close the resolved recommendations in this report. In addition, OIG will continue to track the implementation of these open recommendations and report the status in OIG's Semiannual Report to Congress.

**Recommendation 2:** OIG recommends that, for recommendations considered unresolved, the Under Secretary for Management direct the applicable bureau to inform OIG of the status of actions taken to implement the recommendations and provide evidence demonstrating that the bureau has taken actions that justify closing the recommendations or provide OIG an alternative corrective action plan that fulfills the intent of the recommendation and corrects the identified deficiency. Bureaus are to submit the status of planned or alternative corrective actions that fulfill the intent of the recommendation and correct the identified deficiency to [audcompliance@stateoig.gov](mailto:audcompliance@stateoig.gov) within 30 days.

**Management Response:** The Office of the Under Secretary for Management concurred with this recommendation and plans to issue a memo to the applicable Assistant Secretaries or equivalents, directing them to notify the OIG of the status of the recommendations considered unresolved, within the 30-day time limit. Additionally, after receiving a draft of this report, the applicable bureau provided a corrective action plan with milestones for the two previously unresolved recommendations referenced in this report.

**OIG Reply:** On the basis of the Under Secretary's response and information received from the responsible bureau, the previously unresolved recommendations are considered resolved. Therefore, OIG considers this recommendation to the Office of the Under Secretary for Management closed and no further action is required.

## RECOMMENDATIONS

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**Recommendation 1:** OIG recommends that, for recommendations considered resolved, the Under Secretary for Management direct the applicable bureau to notify OIG of the status of actions taken to implement the recommendations identified in this report and provide evidence demonstrating that the bureau has taken actions that justify closing the recommendations. Bureaus are to submit the status of actions taken and documented evidence to support closing the recommendations to [audcompliance@stateoig.gov](mailto:audcompliance@stateoig.gov) within 30 days.

**Recommendation 2:** OIG recommends that, for recommendations considered unresolved, the Under Secretary for Management direct the applicable bureau to inform OIG of the status of actions taken to implement the recommendations and provide evidence demonstrating that the bureau has taken actions that justify closing the recommendations or provide OIG an alternative corrective action plan that fulfills the intent of the recommendation and corrects the identified deficiency. Bureaus are to submit the status of planned or alternative corrective actions that fulfill the intent of the recommendation and correct the identified deficiency to [audcompliance@stateoig.gov](mailto:audcompliance@stateoig.gov) within 30 days.

## APPENDIX A: UNDER SECRETARY FOR MANAGEMENT RESPONSE

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United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

July 03, 2017

TO: OIG/AUD – Norman Brown

FROM: Acting Director General (M) – William Todd

SUBJECT: Response to the Draft Management Assistance Report: Department Attention Needed to Address Overdue Responses on Selected Open Recommendations.

The Office of the Under Secretary for Management has reviewed the draft OIG Management Assistance Report. We provide the following comments in response to the recommendations from the OIG:

**OIG Recommendation 1:** For recommendations considered resolved, the OIG recommends that the Under Secretary for Management direct the applicable bureaus to notify OIG of the status of actions taken to implement the recommendations identified in this report and provide evidence demonstrating that the bureau has taken actions that justify closing the recommendations. Bureaus are to submit the status of actions taken and evidence to support closing the recommendations to [audcompliance@stateoig.gov](mailto:audcompliance@stateoig.gov) within 30 days.

**OIG Recommendation 2:** For recommendations considered unresolved, the OIG recommends that the Under Secretary for Management direct the applicable bureaus to inform OIG of the status of the unresolved recommendation, including actions taken to implement the recommendations and provide evidence demonstrating that the bureau has taken actions that justify closing the recommendations; or, provide OIG an alternative corrective action plan that fulfills the intent of the recommendation and corrects the identified deficiency. Bureaus are to submit the status of planned or alternative corrective actions that fulfill the intent of the recommendation and correct the identified deficiency to [audcompliance@stateoig.gov](mailto:audcompliance@stateoig.gov) within 30 days.

**Management Response:** The Office of the Under Secretary for Management concurs with these recommendations. The Office of the Under Secretary for Management will issue a memo to the applicable Assistant Secretaries or equivalents, directing them to notify the OIG of the status of recommendations considered resolved or unresolved as referenced in the report, within the 30-day time frame.

The Office of the Under Secretary for Management would also like the OIG to provide M/PRI access to the OIG tracking system for recommendations, in order to more effectively use that information and to reduce delinquencies in the future.

The point of contact for this memorandum is Katie Kirkpatrick, at [kirkpatrickkg@state.gov](mailto:kirkpatrickkg@state.gov) or 202-647-4725.

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