

identified several posts that had not properly inspected or could not demonstrate they had properly inspected residential properties for health and safety risks before assigning employees to occupy them.<sup>23</sup>

Extended staffing gaps, particularly in the position of Post Occupation Safety and Health Officer, underlie these deficiencies in some cases. Given the implications for the health and safety of Department personnel and their families, however, overseas posts should focus on complying with the Department's standards pertaining to residential properties, including completing and documenting required safety and health inspections and residential security surveys.

### Emergency Preparedness

Department guidelines require U.S. embassies to maintain post-specific emergency action plans to respond to situations such as bombs, fires, civil disorders, and evacuations. Many FY 2017 inspections of overseas posts noted broad compliance with Department emergency planning standards and solid engagement on the issue from front office leadership. To take one example, Embassy Bishkek in Kyrgyzstan took intermediate and long-term steps to obtain a housing pool of seismically secure residences.<sup>24</sup>

OIG, however, continued to note deficiencies that present safety risks to Department personnel and American citizens abroad in the event of a natural disaster or other crisis. These included consular sections that did not comply with Department standards for emergency preparedness<sup>25</sup> and inadequate testing and maintenance of important hardware necessary for communication during a crisis, including satellite phones and high-frequency radios.<sup>26</sup> OIG also found that, despite being at a high risk for earthquakes, Embassy Rangoon in Burma had not conducted adequate earthquake drills or training and had no seismic surveys for any of the buildings in its residential housing pool.<sup>27</sup>

In some cases, staffing shortages and competing priorities were cited as factors in these deficiencies. Nonetheless, because of the importance of the issue, OIG has issued various recommendations that overseas posts should comply with the Department's emergency preparedness policies, including conducting required drills and ensuring consular staff are trained on their roles during a crisis.

## 2 OVERSIGHT OF CONTRACTS, GRANTS, AND FOREIGN ASSISTANCE

The Department spends substantial resources by means of contracts, grants, and cooperative agreements. In FY 2016 alone, the Department's obligations included more than \$15 billion for contracted services and more than \$18 billion in grants and fixed charges.<sup>28</sup> To meet its obligation to use taxpayer resources prudently, the Department must ensure that contractors and grantees are appropriately selected, work is properly conducted and monitored, objectives of the grant or contract are achieved, and costs are effectively contained. Oversight of these resources continues to be a significant management challenge for the Department. Inadequate oversight and mismanagement pose substantial financial risk to the Department. Moreover, oversight weaknesses and mismanagement also increase the possibility that the purpose of these instruments will not be met.

### Managing Grants in Compliance With Applicable Standards

Throughout the year, various reports identified posts and bureaus that carefully managed their grants in accordance with applicable standards. For example, in its inspection of the Bureau of Population, Refugees, and Migration, OIG found that the bureau, which oversees a large portfolio of grants and cooperative agreements, developed generally effective internal control policies and procedures for managing these instruments and generally complied with

<sup>23</sup> OIG, *Inspection of Bratislava, Slovakia* (ISP-I-17-06A, January 2017); OIG, *Inspection of Port Moresby, Papua New Guinea* (ISP-I-17-07A, January 2017); ISP-I-17-19, June 2017; ISP-I-17-20, May 2017; ISP-I-17-13, March 2017.

<sup>24</sup> ISP-I-17-13, March 2017.

<sup>25</sup> ISP-I-17-12, May 2017; ISP-I-17-16, May 2017.

<sup>26</sup> OIG, *Inspection of Emergency Preparedness at Consulate General Hamilton, Bermuda* (ISP-I-17-26, May 2017); ISP-I-17-25A, June 2017.

<sup>27</sup> OIG, *Inspection of Embassy Rangoon, Burma* (ISP-I-17-05A, January 2017).

<sup>28</sup> Department of State, *Agency Financial Report* (Fiscal Year 2016).