



AUD-MERO-18-56

What OIG Audited

In August 2014, the United Nations declared a humanitarian emergency in Iraq. The Department of State's (Department) Bureau of Population, Refugees, and Migration (PRM) obligated \$914 million between October 2013 and September 2017 to help internally displaced persons (IDP) in Iraq and Iraqi refugees in surrounding countries. Of this amount, more than \$815.4 million was provided through voluntary contributions to international organizations.

The Office of Inspector General (OIG) conducted this audit to determine whether PRM monitored humanitarian assistance provided to IDPs in Iraq in accordance with applicable Federal requirements and Department policies and guidance. This report is the first of two audit reports and focuses on funding provided to international organizations through five voluntary contributions. A subsequent report will address humanitarian assistance funding provided through cooperative agreements with non-governmental organizations.

What OIG Recommends

OIG made three recommendations intended to assist the bureau to improve its documentation of award files and clarify current delegations of authority over approvals for funding voluntary contributions under the Migration and Refugee Assistance Act of 1962. PRM concurred with all three recommendations, and OIG considers each resolved, pending further action. A synopsis of PRM's response and OIG's reply follow each recommendation in the Audit Results section of this report. PRM's response to a draft of this report is reprinted in its entirety in Appendix B. OIG's reply to the technical comments provided by PRM are presented in Appendix C.

What OIG Found

PRM's monitoring of voluntary contributions made to international organizations generally followed Federal and Department requirements. However, the award files maintained by PRM for the five voluntary contributions selected for review need improvement. Specifically, the award files did not contain all required documents, such as the funding approval memorandum. This condition occurred, in part, because the transfer of award files in January 2017 from GrantSolutions to the new grants management system, State Assistance Management System Domestic, was not entirely successful. Notwithstanding the system migration issue, the methodology used by PRM to establish and maintain the award files is inadequate and hinders PRM's ability to demonstrate that funding decisions for each contribution are advancing the U.S. Government's goals in Iraq.

OIG also found that the Assistant Secretary of PRM approved the funding for the five contributions OIG reviewed, but the most recent Delegation of Authority assigns that responsibility to the Director of the Office of U.S. Foreign Assistance Resources. PRM explained that it obtains approval from the Director of the U.S. Foreign Assistance Resources through submission of its annual financial plans. PRM will need to obtain clarification from the Director of the Office of U.S. Foreign Assistance that the current approval practice is in accordance with language included in the most recent delegation of authority to approve voluntary contributions.