



HIGHLIGHTS

Office of Inspector General
United States Department of State

AUD-MERO-19-10

What OIG Audited

The Department of State (Department) often relies on contractors to execute important projects that support its mission. For contracts in Iraq, the Department's Bureau of Near Eastern Affairs (NEA) nominates Contracting Officer's Representatives (COR) and Government Technical Monitors (GTM) to oversee contracts valued at more than \$3.1 billion.

The Office of Inspector General (OIG) conducted this audit to determine whether (a) NEA's nomination and selection process for CORs and GTMs in Iraq resulted in the designation of qualified personnel, (b) NEA established and implemented an effective process to hold CORs and GTMs accountable for their performance, and (c) CORs and GTMs documented contractor performance in the official contract file in accordance with Federal and Department requirements.

What OIG Recommends

OIG made 13 recommendations to improve the process to nominate and select CORs and GTMs, promote accountability of oversight staff, and advance the completeness of COR files. On the basis of management's response to a draft of this report, OIG considers 1 recommendation closed and 12 recommendations resolved, pending further action. A synopsis of management's comments regarding the recommendations made and OIG's reply follow each recommendation in the Audit Results section of this report. Responses to a draft of this report from NEA and the Bureau of Administration, Office of the Procurement Executive, are reprinted in their entirety in Appendices B and C, respectively.

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November 2018

OFFICE OF AUDITS

Middle East Region Operations

Audit of the Bureau of Near Eastern Affairs Selection and Management of Contract Oversight Personnel in Iraq

What OIG Found

OIG found that NEA did not consistently nominate CORs and GTMs with the required certification level and technical expertise to oversee contracts in Iraq. Specifically, 11 of 17 CORs and none of the 14 GTMs reviewed for this audit possessed the required level of certification for the contracts assigned when nominated. In addition, oversight personnel did not always possess sufficient technical expertise relative to the contract's subject matter. These shortfalls occurred because NEA did not assess the qualifications and technical expertise needed and nominate qualified CORs and GTMs. In addition, the number of qualified CORs available was not sufficient to meet demand, which suggests a shortfall in human capital planning. Until these conditions are corrected, NEA will have limited assurance that contractors in Iraq are performing as required under the contract.

OIG also found that NEA did not consistently establish work commitments or seek feedback from the Contracting Officers (COs) to effectively hold CORs and GTMs accountable for their performance. For example, 7 of 13 CORs and 8 of 14 GTMs did not have work commitments that aligned with the duties assigned by the CO. According to NEA officials, this occurred because space on the evaluation form was too limited to include all work commitments. Furthermore, none of the CORs' supervisors solicited performance feedback from the COs as required. According to NEA officials, this was an oversight. Without appropriate work commitments and input in evaluating COR and GTM performance, contract oversight performance cannot be fully recognized and assessed.

Finally, OIG found that CORs did not always maintain complete COR files. According to the CORs, sometimes they relied on the contractor to maintain certain documentation, some documentation was maintained in a different location, and they had limited time to organize the files. In addition, incomplete files were not identified during monthly reviews because these reviews were either not completed or not structured to identify certain required documentation. Without complete files, the Department may not have the records to demonstrate nonconformity with the contract and hold contractors accountable.

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