



# HIGHLIGHTS

Office of Inspector General  
United States Department of State

AUD-SI-19-30

## What OIG Audited

The Department of State's (Department) Bureau of Diplomatic Security (DS), Training Directorate, Office of Training and Performance Standards (TPS), in coordination with the Foreign Service Institute, develops and implements training and professional development programs related to security topics for the Department and other U.S. Government personnel and dependents deployed overseas. From October 1, 2015, to March 31, 2017, TPS expended \$52.5 million for training-related activities, of which \$51.4 million was paid to third-party contractors (TPC) and personal services contractors (PSC).

The Office of Inspector General (OIG) conducted this audit to determine whether TPS expended funds to selected TPCs for training-related activities in accordance with Federal regulations, Department guidance, and the terms and conditions of the contracts and whether TPS selected, employed, and paid PSCs in accordance with Department guidance and the terms of the contracts. The scope period for this audit encompassed TPS activity with TPCs and PSCs between October 1, 2015, and March 31, 2017.

## What OIG Recommends

OIG is not making any recommendations in this report as a result of TPS's effective management and oversight of TPCs and PSCs. During the audit, OIG issued a Management Assistance Report<sup>1</sup> relating to the management of accountable personal property. In that report, OIG made five recommendations that are all considered resolved pending further action. Implementation of those recommendations is currently being tracked through the audit compliance follow-up process. OIG provided a draft of this report to DS and requested a written response, which was to be included as an appendix to this report. DS informed OIG that it did not have any comments and a written response was not provided.

June 2019

OFFICE OF AUDITS

SECURITY AND INTELLIGENCE DIVISION

## Audit of the Bureau of Diplomatic Security's Expenditures for Third-Party Contractors and Personal Services Contractors Supporting the Office of Training and Performance Standards

## What OIG Found

OIG verified that during the scope period of this audit (October 1, 2015, through March 31, 2017) TPS expended funds to selected TPCs for training-related activities in accordance with Federal regulations, Department guidance, and terms and conditions of the contracts. Specifically, OIG tested a sample of 43 expenditures from the 4 largest TPCs and did not identify any exceptions. No exceptions were identified because of TPS's effective system of internal controls in overseeing expenditures, including contract monitoring; records management oversight; and an automated system for review, approval, and timely payment of contractor invoices. Collectively, the internal controls TPS employed helped ensure funds expended to TPCs were done so in accordance with Federal regulations and guidance and therefore reduced the risk of unallowable or unsupported transactions.

In addition, OIG found that TPS selected, employed, and paid PSCs in accordance with Department policies and the terms and conditions of the contracts reviewed for this audit. Specifically, OIG tested two PSCs that earned more than \$100,000 during the audit scope period to determine whether TPS complied with Department policies and the terms of the contracts. OIG identified no exceptions because TPS had strong management controls in place for hiring and vetting PSCs, reviewing timekeeping records, and paying PSCs in accordance with the Office of Personnel Management's general schedule. Consequently, TPS appropriately managed and oversaw PSCs in accordance with Department guidance and the terms of the contracts.

<sup>1</sup> OIG, *Management Assistance Report: The Bureau of Diplomatic Security's Office of Training and Performance Standards Should Improve Property Management Over Equipment Provided During High-Threat Training* (AUD-SI-18-49, July 2018).