



OIG HIGHLIGHTS

ISP-I-18-03

What OIG Inspected

OIG inspected U.S. Embassy Nicosia from April 19 to May 4, 2017.

What OIG Recommended

This report includes 12 recommendations. OIG made 11 recommendations to Embassy Nicosia to improve internal controls, grants management, and consular, general services, financial, facility management, and information management operations. OIG also made one recommendation to the Bureau of Overseas Buildings Operations regarding seismic evaluations of embassy housing.

In its comments on the draft report, the Department concurred with all 12 recommendations. OIG considers the recommendations resolved. The Department's response to each recommendation, and OIG's reply, can be found in the Recommendations Section of this report. The Department's formal written responses are reprinted in their entirety in Appendix B.

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October 2017

OFFICE OF INSPECTIONS

Bureau of European and Eurasian Affairs

Inspection of Embassy Nicosia, Cyprus

What OIG Found

- The Ambassador navigated a challenging environment in difficult negotiations that sought to reunify Cyprus and pursued bilateral relations with Cyprus to advance U.S. foreign policy goals and business interests.
- Section leaders across the embassy generally managed their sections well and used resources to pursue Integrated Country Strategy goals.
- Embassy Nicosia's annual statement of assurance of compliance with management controls did not include the Political-Economic and Public Affairs Sections.
- The embassy lacked standardized procedures to properly monitor and document federal assistance grants.
- Although there was no evidence of waste or misuse of supplies or equipment, internal controls over facility maintenance expendable supplies did not appropriately mitigate such risks.
- Embassy Nicosia was not in compliance with the Prompt Payment Act for vendor payments.
- Although Cyprus is in a high-risk seismic zone, the embassy had not conducted proper seismic evaluations of U.S. Government-leased properties.
- The embassy had not tested its information technology contingency plan.
- Embassy Nicosia's North Office had no central fire alarm system or means to properly restrict access to consular work space.
- Spotlight on Success: Monthly crisis management tabletop exercises prepared the embassy to perform well in actual emergencies.

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