



HIGHLIGHTS

Office of Inspector General
United States Department of State

AUD-CGI-25-14

What OIG Audited

Public-private partnerships (PPP) are collaborative working relationships with nongovernmental partners in which the goals, structure, governance, roles, and responsibilities are mutually determined. According to the Department of State (Department), PPPs are important tools for leveraging private sector resources and expertise to advance the Department's foreign policy goals. The Department's Office of Global Partnerships (GP) builds PPPs to advance the Department's foreign policy priorities.

OIG performed this audit to determine whether the Department administered PPPs in accordance with applicable Department policy and guidance. To conduct this audit, OIG reviewed 10 PPPs that were managed by 5 bureaus and offices and covered 7 partnership sectors. In addition, 2 of the 10 PPPs reviewed included 8 associated short-term PPPs.

What OIG Recommends

OIG made 13 recommendations to improve the administration of PPPs. On the basis of GP's response to a draft of this report, OIG considers all 13 recommendations resolved, pending further action. A synopsis of management's comments to the recommendations offered and OIG's reply follow each recommendation in the Audit Results section of this report. GP's response to a draft of this report is reprinted in its entirety in Appendix B.

March 2025

OFFICE OF AUDITS

CONTRACTS, GRANTS, AND INFRASTRUCTURE DIVISION

Audit of Department of State Administration of Public-Private Partnerships

What OIG Found

For the 10 PPPs reviewed for this audit, OIG found that Department bureaus and offices generally adhered to applicable policies and procedures when evaluating the suitability and necessity of PPPs and conducting due diligence of the nongovernmental partners involved. However, OIG determined that 67 percent of action memoranda reviewed did not include all required elements and 26 percent of action memoranda reviewed were missing one or more required clearances. In addition, OIG found that 2 of 10 PPPs had not undergone the required reapproval process introduced during 2024. OIG also reviewed eight short-term PPPs associated with two PPPs that were not approved in accordance with the Department's process. Furthermore, OIG found that bureaus and offices did not consistently manage and monitor PPPs in accordance with Department policy and guidance. Lastly, OIG found GP's PPP database contained incomplete and inaccurate information.

These deficiencies occurred, in part, because Department policy did not provide guidance on the documentation bureaus or offices should maintain related to managing and monitoring PPPs. Additionally, the Department lacked guidance on maintaining comprehensive and structured PPP files. Moreover, most bureau personnel whom OIG interviewed for this audit had not taken available PPP-related training. Finally, the PPP database issues identified were primarily due to insufficient data entry standards.

Without improved PPP administration, the Department is not well-positioned to make informed decisions about its PPPs, nor can it ensure that the PPPs are effectively advancing shared objectives, enhancing impact by resource sharing, and achieving mutual goals. In addition, the database issues complicate the oversight of PPPs because incomplete and inaccurate records can obscure the extent to which PPPs are being used, the resources being leveraged from the private sector partnerships, and the full resources being committed to advance U.S. interests.