



# HIGHLIGHTS

Office of Inspector General  
United States Department of State

AUD-FM-23-22

## What OIG Audited

The Department of State (Department) administers the Furniture and Appliance Pool (FAP) program to consolidate the purchase, replacement, refurbishment, maintenance, inventory control, warehousing, pick-up, delivery, and disposal of non-expendable residential furniture, furnishings, appliances, and equipment (FFA&E) at overseas posts.

The Office of Inspector General (OIG) conducted this audit to determine whether the Department established fees for participation in the FAP program in accordance with Department policies and procedures. OIG performed detailed testing at four overseas posts: U.S. Embassy Bujumbura, Burundi; U.S. Embassy Rangoon, Burma; U.S. Embassy Stockholm, Sweden; and U.S. Embassy Georgetown, Guyana.

## What OIG Recommends

OIG made 11 recommendations to improve the FAP program. On the basis of the Department's responses to a draft of this report, OIG considers all 11 recommendations resolved, pending further action. A synopsis of management's response to the recommendations offered and OIG's reply follow each recommendation in the Audit Results section of this report. Responses received from the Bureau of the Comptroller and Global Financial Services and the Bureau of Administration are included in their entirety in Appendices B and C, respectively.

June 2023

OFFICE OF AUDITS

FINANCIAL MANAGEMENT DIVISION

## Audit of Department of State Procedures To Establish Program Fees for the Furniture and Appliance Pool Program

### What OIG Found

The Department did not always establish FAP program participation fees in accordance with policies and procedures. Specifically, the selected posts did not always maintain and use reliable FAP inventory and financial data to (1) calculate FAP fees, (2) capture costs for a complete and accurate listing of authorized FFA&E within FAP fee calculations, or (3) manage FAP assets in accordance with Department policies and procedures. These deficiencies impacted FAP fee determinations. In addition, the Department did not always maintain FAP fee calculation documentation to support efforts to reassess fee determinations and make changes to FAP fee amounts.

The deficiencies identified occurred for various reasons that require attention. For example, the Department did not have sufficient oversight, training, guidance, or Integrated Logistics Management System (ILMS) controls in place to ensure posts complied with FAP data requirements. In addition, selected posts did not capture appropriate FFA&E costs because personnel did not reconcile the calculations with the posts' FAP program policies or did not ensure the posts' FAP program policies were updated and consistent with Department policies and procedures. Furthermore, the Department did not have sufficient guidance to ensure personnel knew how and where to retain this documentation.

Without quality FAP data, proper FAP asset management practices, and key FAP documentation, Department personnel cannot reliably or effectively determine current and future FAP program financial needs. The lack of information on FAP program needs also hinders posts' ability to establish FAP fees that will provide the appropriate level of funding to cover costs without accumulating excess funds.