



HIGHLIGHTS

Office of Inspector General
United States Department of State

AUD-GEER-24-16

(U) What OIG Audited

(U) On February 24, 2022, Russia launched a full-scale invasion of Ukraine, causing hundreds of thousands of people to flee their homes in search of safety. As a result, 17.6 million people were in urgent need of humanitarian assistance as of February 2024, with 6 million refugees recorded in Europe. The Department of State (Department) had obligated \$862.2 million to assist humanitarian efforts in support of Ukraine as of February 2024.

(U) The Office of Inspector General (OIG) conducted this audit to determine whether (1) the Department's humanitarian assistance response to the Ukraine crisis was implemented in accordance with Department policies, guidance, and award terms and conditions and (2) the intended objectives were achieved. To conduct this audit, OIG reviewed four voluntary contributions awarded by the Bureau of Population, Refugees, and Migration (PRM) in FY 2022 to three public international organizations (PIO) with a collective value of \$431.7 million.

(U) What OIG Recommends

(U) OIG is making nine recommendations that are intended to improve PRM's risk assessment process and the monitoring of these awards. Based on PRM's response to a draft of this report, OIG considers the nine recommendations resolved, pending further action. A synopsis of management's comments on the recommendation offered and OIG's reply follow each recommendation in the Audit Results section of this report. PRM's response is reprinted in its entirety in Appendix C. A summary of PRM's technical comments with OIG's replies is presented in Appendix D.

(U) May 2024

(U) OFFICE OF AUDITS

(U) GLOBAL EMERGENCIES AND EMERGING RISKS

(U) Audit of the Department of State's Humanitarian Response to the Ukraine Crisis

(U) What OIG Found

(U) Although PRM developed terms and conditions for the voluntary contributions used to support the humanitarian assistance response to Russia's full-scale invasion of Ukraine, OIG found that the terms and conditions did not include measurable objectives, which is strongly recommended in Department guidance as a result of a previous OIG audit. OIG found that absent specific, measurable objectives or corresponding performance indicators, PRM was not positioned to track progress toward intended program results. PRM did not include such measures, at least in part, because Department guidance for voluntary contributions does not include the same award terms and conditions requirements as for other types of federal assistance awards. OIG also found that, although PRM completed a monitoring plan for the voluntary contributions, this plan did not detail specific monitoring activities to be performed and was not tied to PRM's risk assessment for the awards as required by Department guidance. Although PRM conducted monitoring activities, it did not track progress against measurable objectives and performance indicators for the awards. Therefore, OIG was limited to broadly assessing alignment of PIO activities against PIO appeals for assistance. The award activities implemented generally aligned with the appeals for which they were awarded, but OIG could not independently determine whether these activities were achieving intended objectives.

(U) OIG found that PRM implemented internal controls to manage risk and developed best practices to guide the risk assessment process. PRM completed the required risk assessment for the voluntary contributions awarded; however, the risk assessment did not consistently include risk ratings for the risks identified, nor did it explicitly account for risks identified by the PIOs. OIG also found that PRM did not consistently develop mitigation measures for the risks identified as required or plans to ensure that mitigation measures identified by the PIOs were implemented in line with best practices. The shortcomings occurred, at least in part, because PRM did not have risk management officials reviewing the risk assessments at the time. Accounting for all identified risks is necessary for developing appropriate risk mitigation plans and guiding PRM award monitoring specific to those risks.