



HIGHLIGHTS

Office of Inspector General
United States Department of State

AUD-SI-23-30

What OIG Audited

The Department of State (Department) uses temporary structures—such as containerized housing units, hardened alternative trailers, and shipping containers—to serve as residential or functional space when permanent structures for these purposes are unavailable. Prior Office of Inspector General (OIG) and Government Accountability Office reports identified issues related to the Department’s use of temporary structures, including deficiencies in applicable security standards, lack of definitions and usage parameters, and unauthorized use of shipping containers for storage and functional purposes.

OIG conducted this audit to determine whether the Department managed the use of temporary structures at overseas posts in compliance with applicable physical security standards and procedures, including maintaining an accurate and complete inventory of temporary structures used for residential and office purposes. OIG conducted testing on six overseas posts.

What OIG Recommends

OIG made eight recommendations to address the internal control deficiencies identified in this report. On the basis of the Department’s responses to a draft of this report, OIG considers two recommendations resolved, pending further action, and six recommendations unresolved. 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 Overseas Buildings Operations (OBO) and Diplomatic Security are included in their entirety in Appendices C and D, respectively. OIG’s reply to general comments provided by OBO is presented in Appendix E.

September 2023

OFFICE OF AUDITS

SECURITY AND INTELLIGENCE DIVISION

**Audit of Physical Security Standards for Department of State
Temporary Structures at Selected Overseas Posts**

What OIG Found

The Department was not adequately managing its use of temporary structures at overseas posts in accordance with applicable security standards and procedures. First, the Department could not provide an accurate or complete inventory of temporary structures at posts, and some structures were not consistently named and categorized in the Department’s Real Property Application (RPA) database. In addition, OIG identified temporary structures that did not have required waivers or exceptions to physical security standards. OIG also determined that overseas posts were generally not complying with Department guidance regarding the unauthorized use of shipping containers.

The deficiencies identified occurred primarily because the Department did not establish adequate internal controls to oversee the use of temporary structures. Specifically, the Department did not formally and consistently define temporary structures or develop adequate policies and processes. Additionally, the Department did not have a mechanism to determine the inventory of temporary structures at overseas posts. For example, RPA identifies structures by their functional use and does not differentiate among temporary, non-permanent, and permanent structures at post. Furthermore, controls are needed to (a) guide the recording, categorization, and verification of temporary structure information in RPA; (b) reconcile data between databases; (c) address issues identified in physical security surveys; and (d) address issues related to unauthorized use of shipping containers at posts. Until these deficiencies are addressed, the Department will have inaccurate and incomplete information about the types of structures and related security deficiencies at posts and have limited assurance that physical security mitigation actions have been taken to address security and life safety concerns.

OIG also found a backlog of more than 800 incomplete physical security surveys as of May 2023, involving both permanent and temporary structures. Factors including a new physical security survey database, the COVID-19 pandemic, and ineffective internal coordination have contributed to the backlog. As a result, security deficiencies may not be appropriately prioritized or remediated in a timely manner.