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

FINANCIAL MANAGEMENT DIVISION

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HIGHLIGHTS

Office of Inspector General
United States Department of State

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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.

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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.

CONTENTS

OBJECTIVE	1
BACKGROUND.....	1
Furniture and Appliance Pool Program Fees	2
Furniture and Appliance Pool Program Funding.....	3
Furniture and Appliance Pool Program Governance	5
AUDIT RESULTS	6
Finding A: Posts Did Not Always Establish FAP Program Fees in Accordance With Policies and Procedures	6
RECOMMENDATIONS.....	25
APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY.....	27
Data Reliability	27
Work Related to Internal Control	28
Sampling Methodology	29
Prior Office of Inspector General Reports	30
APPENDIX B: BUREAU OF THE COMPTROLLER AND GLOBAL FINANCIAL SERVICES RESPONSE...	32
APPENDIX C: BUREAU OF ADMINISTRATION RESPONSE.....	35
ABBREVIATIONS	39
OIG AUDIT TEAM MEMBERS	40

OBJECTIVE

The Office of Inspector General (OIG) conducted this audit to determine whether the Department of State (Department) established fees for participation in the Furniture and Appliance Pool (FAP) program in accordance with Department policies and procedures.

BACKGROUND

In FY 2012, the Department directed posts to establish an International Cooperative Administrative Support Services (ICASS)¹ FAP program by September 30, 2012.² In September 2012, the ICASS Executive Board³ approved a policy governing the management and operation of FAP programs worldwide.⁴ Full implementation of the FAP program began in FY 2015.⁵ To implement the program, posts had to develop a post-specific FAP program policy,⁶ brief agencies at the post on the new policy, and establish and collect buy-in assessments.⁷

A FAP program consolidates the purchase, replacement, refurbishment, maintenance, inventory control, warehousing, pick-up, delivery, and disposal of non-expendable⁸ residential furniture, furnishings, appliances, and equipment (FFA&E) across agencies at overseas posts to streamline post operations and cut costs. Specifically, the FAP program was designed to:

¹ ICASS, which is administered by the Department, is the principle means by which the U.S. government provides and shares the cost of common administrative support needed to ensure effective operations at diplomatic and consular posts abroad. Services include motor pool operations, vehicle maintenance, travel services, mail and telephone services, security guard services, and building operations.

² All Diplomatic and Consular (ALDAC) cable 12 STATE 64105, "Mandatory Establishment of Furniture and Appliance Pools at ICASS-Designated Posts," June 22, 2012.

³ The ICASS Executive Board is the highest level policy-making body in the ICASS system. The Board is chaired by the Department and includes members from other agencies.

⁴ ALDAC cable 12 STATE 103579, "Worldwide Furniture and Appliance Pool Policy: New Policy Guidelines," October 13, 2012.

⁵ Ibid.

⁶ The Department directed posts to prescribe FAP program requirements and guidelines in the policy. Each post's policy is supposed to be approved by the post's ICASS Council (which comprises the agencies at post that are members of the ICASS Executive Board). The primary goal of the policy is ensuring equitable distribution of furniture, furnishings, appliances, and equipment (FFA&E) to all participating agencies in accordance with Department policies. The post-specific FAP program policy should include information on FAP program fees and describe the FFA&E available to FAP program participants.

⁷ Cable 14 STATE 4556, "Phase2: Furniture and Appliance Pool Implementation and the Role of Management Officers and GSOs," January 15, 2014.

⁸ According to 14 FAM 411.4, "Definitions," "non-expendable personal property" refers to tangible assets that are not intended for sale in the ordinary course of operations and that have been acquired or constructed with the intention of being used or available for use by the entity. This category includes property, such as furniture, that is complete in itself, does not lose its identity or become a component part of another item when used, and is of a durable nature with an anticipated useful life of more than 2 years.

- Allow FFA&E to remain in residential facilities when occupants change, which eliminates the need for frequent FFA&E moves across various government-leased or -owned residences when the occupying agency changes. Allowing FFA&E to remain in place also reduces moving expenses and the need for more vehicles to move furniture. The practice also reduces wear-and-tear on the FFA&E, which results in longer useful life spans.
- Supply an inventory of shared FFA&E between participating agencies, which creates efficiencies and reduces the costs associated with inventory management, purchasing needs, record-keeping systems, and reporting requirements for separate agencies. Maintaining this inventory also potentially reduces the total warehouse space needed to store FFA&E inventories at posts.
- Provide standardization of FFA&E, which mitigates disparities among agencies that could undermine mission cohesion.

Furniture and Appliance Pool Program Fees

To fund the FAP program, posts must charge “buy-in” and annual assessment fees to participating agencies. For each position that an agency adds to a post’s FAP program, the agency must pay an initial buy-in assessment fee to cover the costs of the typical set of FFA&E required to furnish the average-sized residence in the post’s housing pool. Buy-in assessments are designed to provide posts with adequate funds to procure the items needed to furnish residences. After initial buy-in, an agency must pay an annual assessment fee for each position included in the post’s FAP program. Annual assessments are designed to cover the cost of replacing a post’s existing FAP assets.⁹

General Services Officers¹⁰ and Financial Management Officers (FMO)¹¹ at posts must use the ICASS Service Center (ISC)-developed calculation worksheets to compute the FAP buy-in and annual assessment fees to charge participating agencies. General Services Officers and FMOs must send the fee calculations to the applicable regional bureau and the ISC for review and approval.^{12,13} The ISC maintains a list of approved buy-in and annual assessment fees by post.

⁹ In a draft of this report, OIG indicated that the annual assessment fee covered the cost of refurbishing a post’s existing FAP assets. However, in its official management response, the Bureau of the Comptroller and Global Financial Services provided criteria that stated that FAP asset repairs, which include refurbishments, are not funded by annual assessment fees. Therefore, OIG modified this final report to reflect the criteria provided by the Bureau of the Comptroller and Global Financial Services. The bureau’s response is included in its entirety in Appendix B.

¹⁰ General Services Officers manage physical resources and logistical functions at diplomatic and consular posts. General Services Officers are responsible for the programmatic direction and oversight of a post’s FAP program, including calculating FAP program fees and reviewing, updating, and correcting FAP data in the Integrated Logistics Management System (ILMS).

¹¹ FMOs manage financial operations at overseas posts and work with General Services Officers to calculate FAP program fees.

¹² 6 FAH-5 H-513.2-1, “Buy-in and Annual Assessment Costs.”

¹³ According to ISC guidance, while the process of calculating FAP program fees is primarily a GSO responsibility, it requires collaboration with the post’s Financial Management Officer.

According to the Foreign Affairs Handbook (FAH), posts should review fee calculations for needed changes every 4 to 5 years.¹⁴ Posts must receive approval from both the applicable regional bureau and the ISC to make changes to the approved fee amounts.¹⁵ FMOs at posts are responsible for collecting the fees and, when applicable, establishing a payment plan for participating agencies.¹⁶

Furniture and Appliance Pool Program Funding

The FAP program leverages “no-year,” Working Capital Fund¹⁷ funding. Hence, FAP funds¹⁸ that posts do not obligate during the year become part of the post’s FAP “carryover” in the following year. The ability for posts to carry over funds eliminates the incentive to spend unused funds by the end of the year on unnecessary FAP purchases. This ability helps prevent excessive FAP inventories of depreciating assets, which drive up costs for asset procurement, inventory management, and warehouse storage. According to the FAH, posts should anticipate having FAP carryover each year to meet future FAP asset replacement requirements.¹⁹ However, Department officials explained posts should not have large cash reserves that significantly exceed future FAP needs.

The ISC developed the FAP sustainability coefficient²⁰ metric to measure the fiscal health of each post’s FAP. The metric is a ratio that compares a post’s available FAP funds with the accumulated depreciation of its FAP assets in residences, which represents future asset replacement costs. The ISC determined that a sustainability coefficient below 0.40 is too low and indicates an underfunded FAP, and a sustainability coefficient above 0.70 is too high and indicates an overfunded FAP. To address underfunding and overfunding issues, the ISC works with posts to recalculate and adjust FAP program fees in an effort to increase or decrease FAP funding.

¹⁴ 6 FAH-5 H-513.2-1.

¹⁵ According to 6 FAH-5 H-512.4(f), “FAP Budgeting and Funding,” posts’ approved buy-in and annual assessment calculations should remain in place for 3 to 5 years. This provides sufficient time for posts to refine actual FAP requirements and assess the need for any changes. During this period, posts should explore ways to reduce FAP program costs and achieve savings. If, however, a post identifies new FAP requirements or an overestimation of its fee calculations, it must submit a request to change the fee calculations with a justification and the revised fee calculations.

¹⁶ Cable 14 STATE 4556, “Phase2: Furniture and Appliance Pool Implementation and the Role of Management Officers and GSOs,” January 15, 2014.

¹⁷ Because the Working Capital Fund is appropriated no-year funds, unobligated money can be carried over from one fiscal year to the next, providing fiscal flexibility.

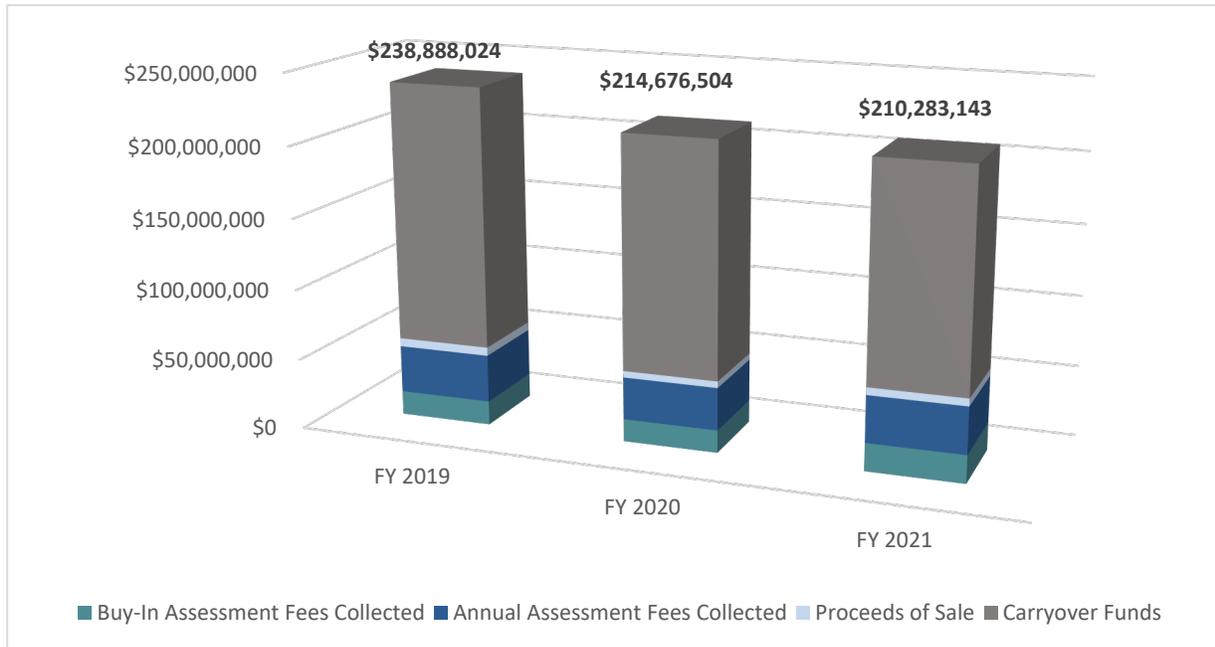
¹⁸ A post’s FAP funds comprise the proceeds that posts receive from FAP buy-in and annual assessments, sales, recoveries, and carryover balances of unused funds from the previous year.

¹⁹ 6 FAH-5 H-512.4(c)(5).

²⁰ The ISC calculates a post’s FAP sustainability coefficient for a fiscal year using the following formula: (FAP carryover costs + total FAP annual assessment fees + total FAP buy-in assessment fees + FAP proceeds of sale) ÷ accumulated depreciation of FAP assets in residences. The dollar value for accumulated depreciation of FAP assets in residences is a proxy for future FAP asset replacement costs.

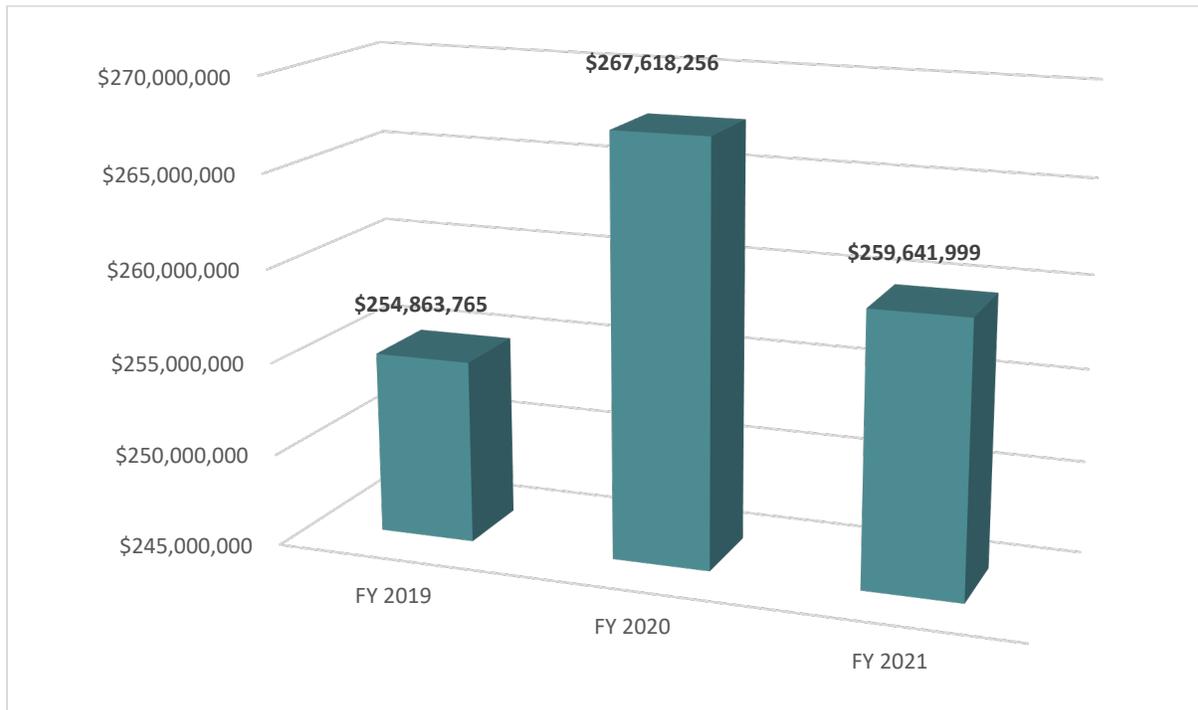
As of September 2021, 152 posts and missions with FAP programs had over \$210 million in FAP funds and over \$259 million in total accumulated depreciation of FFA&E in residences, which represents future asset replacement costs. Figures 1 and 2 provide information on key FAP program financial metrics from FY 2019 through FY 2021.

Figure 1: Total FAP Program Funds for FY 2019 – FY 2021



Source: Generated by OIG using FAP program data provided by the ISC.

Figure 2: Total Estimated FAP Asset Replacement Costs for FY 2019 – FY 2021



Source: Generated by OIG using FAP asset replacement data provided by the ISC.

Furniture and Appliance Pool Program Governance

The FAP Governance Council oversees the FAP program with the intent to ensure a cohesive, standardized approach to FAP management. The Governance Council is responsible for reviewing and approving FAP program policy changes to ensure the policy remains standardized. The goal is to ensure the worldwide FAP program follows established guidance.²¹ The Council consists of the following key member entities:

- The ISC acts as the overseer of FAP program policy and is responsible for ensuring that FAP issues and decisions are consistent with existing agreements with the interagency community. The ISC is also responsible for maintaining metrics and data on FAP program budgeting and management. The ISC reports periodically to the ICASS Working Group²² and the ICASS Executive Board on FAP issues.
- The Bureau of Administration, Office of Logistics Management (LM), plays an essential supporting role for the FAP program. LM is responsible for liaising with General Services

²¹ 6 FAH-5 H-513(b), “Washington Governance Structure.”

²² The ICASS Working Group comprises representatives from government agencies or entities that receive an ICASS invoice. The group reports to the ICASS Executive Board and meets monthly to address ICASS policies and practices.

Officers at posts on the use of the Integrated Logistics Management System (ILMS),²³ logistics management, and inventory and property management.

- Regional bureaus are the most directly involved with post management and issues that impact the FAP program. These bureaus are responsible for setting the FAP program budget and initially reviewing requests for changes to a post's established FAP program policy.
- The Bureau of Overseas Buildings Operations (OBO) is the single real property manager for non-military U.S. government-held property abroad. OBO is responsible for addressing housing management issues that may impact the FAP program.

In addition, the Bureau of Administration, Deputy Assistant Secretary for Operations, Office of Allowances, participates on the FAP Governance Council to ensure that FAP-related decisions do not conflict with existing regulations or guidance related to allowances and benefits provided to employees at overseas posts. The Council also includes representation of the interagency community²⁴ to ensure equitable participation in communications related to FAP program policy and management.

AUDIT RESULTS

Finding A: Posts Did Not Always Establish FAP Program Fees in Accordance With Policies and Procedures

OIG found that the four posts reviewed for this audit²⁵ did not always establish FAP fees for program participation in accordance with Department policies and procedures. Specifically, selected posts did not always maintain and use reliable FAP inventory and financial data to calculate FAP program fees, capture costs for a complete and accurate listing of authorized FFA&E within FAP fee calculations, or manage FAP assets in accordance with Department policies and procedures. In addition, key Department personnel did not always maintain FAP fee calculation records to support efforts to reassess and make changes to FAP fee amounts. Officials from the Bureau of the Comptroller and Global Financial Services acknowledged that the deficiencies identified in this report are systemic and not limited to the posts selected for review in this audit.

The deficiencies occurred, in part, because the Department did not have sufficient oversight, training, guidance, and ILMS controls in place to ensure that posts fulfilled FAP data requirements. In addition, selected posts did not capture appropriate FFA&E costs within FAP program fee calculations because personnel did not reconcile the calculations with the post-

²³ ILMS is the platform that the Department uses to manage logistics management functions, including procurement, warehousing, transportation, property management, and personal effects.

²⁴ A minimum of three members of the ICASS Working Group represent the interests of the interagency community.

²⁵ OIG selected and performed detailed testing of the FAP program at four overseas posts. See Appendix A, Sampling Methodology, for additional details about how the four posts were selected for this audit.

specific FAP program policy or did not ensure the post FAP program policy was updated and adhered to Department policies and procedures. Furthermore, key Department personnel did not properly maintain FAP program fee calculation records because the Department did not have sufficient guidance in place to ensure personnel knew how and where to retain this documentation.

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

Key Personnel Did Not Always Comply With Requirements for Establishing FAP Program Fees

OIG found that selected posts did not always correctly identify the number of FAP assets on hand, accurately record FAP asset lifecycles, properly update FAP asset replacement dates, or appropriately estimate future FAP program expenditures. In addition, OIG found that two posts, which had maintained historical fee calculation records,²⁶ included some unauthorized FAP assets and excluded other assets that were part of the FAP program. OIG also found that the selected posts did not always properly manage FAP asset inventories, nor did they always retain FAP fee calculation records.

FAP Data

According to the FAH, fee assessment calculations should be supported by ILMS data.²⁷ After reviewing and updating ILMS data, posts are required to use the data from ILMS to calculate the annual FAP program assessment.²⁸ Furthermore, posts should use data on the total number of FAP assets in residences, along with information from the annual assessment calculation, to determine the buy-in assessment amount.²⁹ OIG found, however, that selected posts did not always maintain and use complete and accurate FAP inventory and financial data.

FAP Asset Classification Data

To ensure accuracy and transparency, posts must identify all residential inventory assets in ILMS with the "FAP" agency code."^{30,31} Other assets should be identified with a different code that represented the funding source. However, OIG found that selected posts did not always

²⁶ Only two of the four selected posts maintained some historical FAP program fee calculation records. The other two posts were unable to provide any fee calculation records.

²⁷ 6 FAH-5 H-513.2-1, "Buy-in and Annual Assessment Costs."

²⁸ 6 FAH-5 H-512.3-3(a), "Annual Assessment and Replacement Planning."

²⁹ Bureau of the Comptroller and Global Financial Services, Office of the Director of International Cooperative Administrative Support Services, "Recalibrating Your FAP Calculations," November 2020.

³⁰ An agency code identifies the source of funding used to purchase an asset. The code may represent an agency or a specific agency program.

³¹ 6 FAH-5 H-512.3(a), "Operational Guidelines."

classify FAP and non-FAP assets with the proper agency code in ILMS. Specifically, OIG found that, as of May 10, 2022, the four selected posts had misclassified 1,132 FAP assets, valued at \$601,889, as non-FAP assets and misclassified 733 non-FAP assets, valued at \$498,868, as FAP assets. Table 1 summarizes selected posts' FAP asset misclassifications.

Table 1: Misclassified FAP Assets

Location	Number (Dollar Value) of Assets That Should Be FAP	Number (Dollar Value) of Assets That Should Not Be FAP	Number (Dollar Value) of Misclassified Assets
Bujumbura, Burundi	505 (\$337,135)	5 (\$4,313)	510 (\$341,448)
Georgetown, Guyana	2 (\$1,279)	0 (\$0)	2 (\$1,279)
Rangoon, Burma	109 (\$127,846)	703 (\$488,494)	812 (\$616,340)
Stockholm, Sweden	516 (\$135,629)	25 (\$6,061)	541 (\$141,690)
Total	1,132 (\$601,889)	733 (\$498,868)	1,865 (\$1,100,757)

Source: Generated by OIG using data and information obtained from ILMS "Potentially Misclassified FAP" reports and General Services Office personnel at the four selected posts reviewed for this audit.

FAP Asset Lifecycle Data

Asset lifecycles, referred to as replacement cycles by the Department, are data inputs that are used during the annual assessment calculation. According to the FAH, for budget and planning purposes, all posts must use a replacement cycle of 12 years for all wood and upholstered furniture³² and 4 years (or every two assignment cycles, whichever is longer) for mattresses and box springs unless circumstances dictate a longer replacement cycle.³³ In addition, the FAH requires minimum asset replacement standards for assets in various asset classes.^{34,35} However, OIG found that three of the four selected posts did not always use the mandated replacement cycle for 752 assets classified as FAP, valued at \$174,502, as shown in Table 2.

³² Posts seeking an exception to the 12-year replacement cycle must submit a justification and detailed calculations to the regional bureau and the ISC and obtain approval before implementing any replacement cycle shorter than 12 years.

³³ 6 FAH-5 H-512.3-3(b),(c).

³⁴ An asset class identifies groups of similar items that have the same general description.

³⁵ Refer to 14 FAH-1 H-213, "U.S. Government-Wide Minimum Replacement Standard," for minimum replacement standards.

Table 2: FAP Assets With Incorrect Lifecycles

Location	Number of FAP Assets With Lifecycles Not Aligned With Policy	Dollar Value of FAP Assets With Lifecycles Not Aligned With Policy
Bujumbura, Burundi	142	\$23,070
Georgetown, Guyana	0	\$0
Rangoon, Burma	573	\$146,233
Stockholm, Sweden	37	\$5,199
Total	752	\$174,502

Source: Generated by OIG using data and information obtained from ILMS “FAP Asset Profile” reports and General Services Office personnel at the four selected posts reviewed for this audit.

FAP Asset Replacement Data

When FAP assets reach the end of their projected lifecycle but are in good condition and do not need to be replaced, General Services Officers should update ILMS to show a later replacement date.^{36,37} However, as shown in Table 3, OIG found that selected posts had 863 assets classified as FAP, valued at \$506,821, with outdated replacement dates. These assets had replacement dates earlier than FY 2022, demonstrating that post personnel did not update the replacement dates.

Table 3: FAP Assets With Outdated Replacement Dates

Location	Number of FAP Assets With Outdated Replacement Dates	Dollar Value of FAP Assets With Outdated Replacement Dates
Bujumbura, Burundi	370	\$232,034
Georgetown, Guyana	257	\$99,052
Rangoon, Burma	206	\$146,161
Stockholm, Sweden	30	\$29,574
Total	863	\$506,821

Source: Generated by OIG using data obtained from ILMS “Residential Asset Replacement Plan” reports.

FAP Asset Management

According to the FAH, one of the benefits and financial advantages of a consolidated FAP at posts is inventory control.³⁸ Specifically, a consolidated FAP:

- Provides standardization and makes it easier and less costly to maintain and manage FFA&E inventory and achieve economies of scale.
- Reduces the costs to procure and replace FFA&E.

³⁶ 6 FAH-5 H-512.3-3(f).

³⁷ ILMS determines an asset’s initial replacement date based on the date of receipt and the lifecycle entered in the system.

³⁸ 6 FAH-5 H-512.1(a), “Benefits of a Consolidated Furniture and Appliance Pool.”

- Allows posts to maintain less excess FFA&E inventory, thereby minimizing warehouse and staffing requirements.
- Simplifies property management and accountability.

The Foreign Affairs Manual (FAM) identifies FFA&E as personal property.^{39,40} According to the FAM, the accountable property officer at post, who is customarily the General Services Officer for personal property, is responsible for direct oversight of property management procedures and key functions.⁴¹ The key functions include:

- Ensuring the custody, care, and safekeeping of all personal property under control of the post.
- Maintaining property records within ILMS.
- Completing and reconciling the physical inventory of all personal property.
- Reviewing and approving requisitions for procurement and disposing of personal property.
- Reviewing available ILMS reports to effectively manage post property management operations.

The FAH stipulates that a post's FAP program policy must include a list of assets to be provided to residences within the post housing pool. It also states that posts should consider establishing a FAP working group to periodically review the list of assets provided to employees of participating agencies.⁴²

OIG found that the four selected posts did not always properly manage FAP assets. Post practices related to the procurement, management, and disposition of FFA&E impact the quantities and types of assets available to FAP participants. This, in turn, impacts FAP fee determinations because personnel use information on current FAP asset quantities and types at post to set the fees.

FAP Assets at Ineligible Locations

A post's FAP program supports the residential needs of employees of participating agencies.⁴³ However, five types of residences have separate funding sources for the procurement of furniture and appliances: the Chief of Mission residence (CMR), Deputy Chief of Mission residence (DCR), principal officer residence, U.S. representative to an international organization (with Chief of Mission rank) residence, and Marine Security Guard residence. The FAH requires posts to keep the requirements and furniture for these residences separate from the FAP

³⁹ Personal property includes furniture, equipment, and appliances.

⁴⁰ 14 FAM 411.4, "Definitions."

⁴¹ 14 FAM 411.2-2, "Accountable Property Officer."

⁴² 6 FAH-5 H-512.3-2(a), "Buy-ins and Buy-in Assessments."

⁴³ 6 FAH-5 H-512.1(a); 6 FAH-5 H-512(b)(1), "Post Housing Pools," and 6 FAH-5 H-512.2(a)(1), "Participation."

program and not issue ICASS-funded property to these residences.⁴⁴ Furthermore, posts may not use FAP funds to purchase FFA&E for these residences, which would be a violation of appropriations law unless authorized under Official Residence Expenses.⁴⁵

In addition, OIG concluded that the FAH prohibits posts from purchasing loanable assets with FAP funds and including those items within the FAP.⁴⁶ In limited circumstances, OBO may approve exceptions for posts to loan FAP assets to the CMR, DCR, or principal officer residence.⁴⁷ However, at posts where there are fewer than 35 U.S. direct-hire positions in the mission, the costs for FFA&E in the DCR are funded by the regional bureau instead of OBO. In this case, if the post and regional bureau agree, post may include the DCR in the FAP program.⁴⁸

OIG found that the four selected posts issued 267 FAP assets, valued at \$124,995, to ineligible locations. Specifically, selected posts permitted the use of FAP assets in office spaces and official residences such as the CMR, DCR, and Marine Security Guard residence. In addition, the posts did not provide OIG with evidence of OBO approvals for FAP assets loaned to CMRs or DCRs. Table 4 lists the number of FAP assets at ineligible locations and the associated dollar value for each of the four posts reviewed for this audit.

Table 4: FAP Assets at Ineligible Locations

Location	Number of FAP Assets at Ineligible Locations			Dollar Value of FAP Assets at Ineligible Locations		
	Official Residences	Office Spaces	Total	Official Residences	Office Spaces	Total
Bujumbura, Burundi*	45	37	82	\$25,872	\$12,991	\$38,863
Georgetown, Guyana*	7	12	19	\$4,627	\$7,388	\$12,015
Rangoon, Burma	40	106	146	\$20,076	\$49,329	\$69,405
Stockholm, Sweden	19	1	20	\$4,223	\$489	\$4,712
Total	111	156	267	\$54,798	\$70,197	\$124,995

* The DCR is permitted to be included in the FAP program at these posts.

Source: Generated by OIG using data and information obtained from ILMS “Potentially Misclassified FAP” reports and General Services Office personnel at the four selected posts reviewed for this audit.

⁴⁴ 6 FAH-5 H-512.5(e), “Membership.”

⁴⁵ 6 FAH-5 H-512.3-1(f)(1), “Basic Principles.”

⁴⁶ According to 6 FAH-5 H-514(c)(2),(c)(3),(d), “Welcome Kit Program,” welcome kits include loanable items that may not remain in a residence for the duration of an employee’s assignment at a post. In addition, the policy states that posts may not purchase these loanable items with FAP funds. Therefore, OIG concluded that the FAH restricts posts from using FAP funds to acquire loanable assets that are not meant to stay in FAP eligible residences.

⁴⁷ 6 FAH-5 H-512.3-1(f)(1).

⁴⁸ 6 FAH-5 H-512.5(e)(2)(b).

Unauthorized FAP Assets

Posts must have an approved FAP program policy that includes a list of standard FAP assets and the kind and number of supplemental FAP assets that it will provide to the average residence.⁴⁹ However, OIG found that selected posts purchased, and maintained in the FAP, assets that were not authorized in the post's FAP program policy or the FAH. Specifically, the four selected posts had 220 assets in the FAP program, valued at \$154,888 that were not identified on the FFA&E listing within their respective FAP program policies. In addition, the four selected posts had 32 asset types identified on their respective FFA&E listings that were not identified as eligible FAP assets in the FAH.⁵⁰ Table 5 summarizes the unauthorized FAP assets on hand.

Table 5: Unauthorized FAP Assets

Location	Number of Assets Not in Post FAP Policy	Dollar Value of Assets Not in Post FAP Policy	Number of Asset Types in Post FAP Policy That Were Not Authorized
Bujumbura, Burundi	18	\$18,121	22
Georgetown, Guyana	0	\$0	5
Rangoon, Burma	152	\$126,741	3
Stockholm, Sweden	50	\$10,026	2
Total	220	\$154,888	32

Source: Generated by OIG using data and information obtained from ILMS "FAP Asset Profile" reports and General Services Office personnel at the four selected posts reviewed for this audit.

FAP Program Spending Plans

Each post must establish its FAP program spending plan early in the fiscal year and determine what furniture or appliances will need to be replaced in the next summer rotation cycle, taking into consideration stock on hand and any shipments in process. The spending plan is a key factor in the development of the ICASS budget.⁵¹ Maintaining a multi-year spending plan ensures that a post has adequate funds over the long term to meet all requirements.⁵²

Although OIG found that selected posts gathered data on FAP requirements and submitted financial (spending) plan data to the ISC for the current and upcoming fiscal year, the four selected posts did not maintain multi-year spending plans to inform long-term FAP financial planning and decision making. Responsible personnel at the selected posts stated that they had

⁴⁹ 6 FAH-5 EXHIBIT H-513.2-2(1), "Standard Furniture, Furnishings, Appliances, and Equipment (FFA&E) for U.S. Government-Furnished Residences," and 6 FAH-5 EXHIBIT H-513.2-2(2), "Supplemental Furniture, Furnishings, Appliances, and Equipment (FFA&E) for U.S. Government-Furnished Residences."

⁵⁰ Ibid.

⁵¹ 6 FAH-5 H-512.3-3(e).

⁵² 6 FAH-5 H-512.4(d)(3), "FAP Budgeting and Funding."

not been involved in the development of a spending plan, had not made the development of the plan a priority due to other demands, or had not documented the plan.

FAP Fee Calculations

According to the FAH, each post's FAP program policy, which includes a list of standard and supplemental FAP assets provided to residents, serves as the basis for determining the post's buy-in assessment.⁵³ The buy-in assessment calculation includes basic item costs and shipping and handling costs for FFA&E.⁵⁴ Each post must also obtain, review, and update FAP asset data from ILMS to determine the annual assessment amount.⁵⁵ The annual assessment calculation includes item costs, shipping and handling costs, salvage values, and annual depreciation⁵⁶ for FAP assets on-hand.

OIG found that only two of the four selected posts could provide documentation on FAP fee calculations. For the two posts with fee calculation records, OIG found that one or both posts:

- Included costs in the buy-in and/or annual assessment calculation for assets that were not identified in the FFA&E listing in the post's FAP program policy.
- Excluded costs from the buy-in and/or annual assessment calculation for assets that were identified in the FFA&E listing in the post's FAP program policy.
- Included costs in the buy-in or annual assessment calculation for assets that the FAH did not identify as FAP-eligible assets.
- Used an improper asset lifecycle in the annual assessment calculation.

In addition, OIG found that the most recent buy-in assessment calculation worksheet available for one post did not match the approved buy-in assessment amount for the past 3 fiscal years. OIG also found that the latest annual assessment calculation worksheets available for two posts did not match the approved annual assessment amount for the past 3 fiscal years.

FAP Fee-Setting Records

According to the Department's records disposition schedule for financial management and reporting administrative records, personnel may destroy records related to managing financial activities and reporting when the records are 3 years old.⁵⁷ However, a longer retention period is authorized if needed for business use. OIG found that the Department did not always maintain records that documented the calculations or justifications used to support FAP fee-setting decisions. Specifically, the ISC and post personnel could not provide any supporting documentation on FAP fee calculations for two of the four selected posts. In addition,

⁵³ 6 FAH-5 H-512.3-2(a).

⁵⁴ 6 FAH-5 H-512.3-2(b).

⁵⁵ 6 FAH-5 H-512.3-3(a).

⁵⁶ FAP asset lifecycle inputs are used to calculate the annual depreciation amount for FAP assets on hand.

⁵⁷ These records include correspondence, subject files, feeder reports, workload management and assignment records, separation allowance records, allotment reports, and financial plans and related worksheets.

personnel at two posts were unsure about how current fee amounts were determined and/or why fees were approved at amounts that differed from initial requests.

Furthermore, both the ISC and post personnel were unable to provide documentation to support the FY 2021 FAP fee amounts for two selected posts. Nor could they provide specific justifications for the variances between the fee calculations and approved fee amounts for the other two posts. The absence of available FAP fee calculation records that aligned with approved FAP fee amounts demonstrated that key personnel either did not create sufficient documentation to guide and support FAP fee-setting determinations or did not retain the supporting documentation.

The Department Did Not Implement Sufficient Internal Controls

The Government Accountability Office (GAO) states that an entity's control environment serves as the foundation for an internal control system. GAO also requires organizations to establish an oversight structure to monitor the design, implementation, and operation of the internal control system.⁵⁸ In addition, GAO states that "[c]ontrol activities [are] the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system." Management is responsible for designing control activities (e.g., training, guidance, and controls over information system applications and recordkeeping) to achieve an effective internal control system.⁵⁹

OIG found the Department's control environment and control activities for the FAP program were insufficient to ensure that posts maintained and used reliable FAP data, properly calculated FAP fees, and properly managed FAP assets. In addition, controls were insufficient to ensure that the Department effectively maintained key records to make accurate FAP fee determinations. For example, the Department's management oversight, training, guidance, and ILMS application controls were insufficient to ensure it achieved its program objectives effectively.

Oversight Controls

One reason for the deficiencies identified was insufficient oversight controls. According to GAO, "[t]he oversight body should oversee the entity's internal control system," and "[m]anagement should evaluate performance and hold individuals accountable for their internal control responsibilities."⁶⁰ OIG found that management did not have sufficient oversight of posts' FAP management activities to identify and assist with correcting data errors and improper actions. For example:

⁵⁸ GAO, Standards for Internal Control in the Federal Government (GAO-14-704G, September 2014), pages 21 and 26.

⁵⁹ GAO-14-704G, September 2014, pages 44-48.

⁶⁰ GAO-14-704G, September 2014, page 21.

- Although LM developed tools, such as an ILMS report that identified potentially misclassified assets, to help posts detect and remediate potential data errors, headquarters did not periodically review and ensure the timely correction of potential FAP data issues.
- General Services Office personnel sometimes issued FAP assets to ineligible locations because senior officials requested the use of the assets. General Services Office personnel also sometimes temporarily loaned the assets while post personnel waited for replacement assets. Some General Services Office personnel stated that they were not aware of requirements. Improved oversight of FAP asset locations could identify and correct these improper actions.

Although the Department implemented some internal controls to help posts detect potential FAP data and asset management issues, the effectiveness of these controls is limited without sufficient management oversight. Improved oversight controls would enable the Department to identify when deficiencies occur and ensure timely remediation. To ensure that posts properly fulfill their internal control responsibilities for identifying and correcting potential errors and improprieties, the Department must monitor indicators of these deficiencies and posts' corrective actions. Additional oversight will better position posts to have more reliable FAP data with which to establish FAP fees. It will also ensure that posts incur procurement and maintenance costs only for FAP assets that are available for and used by the FAP program participants who provide the funding for the FAP through program participation fees.

According to ISC officials, providing sufficient oversight of FAP data and asset management is a challenge for the Department because of limited manpower. For example, the ISC relied on one subject matter expert to assist posts with identifying data integrity issues that may negatively affect the accuracy of FAP fee calculations.

To address some concerns with the FAP program identified by the Department, LM officially began to take over responsibility for operational oversight of the FAP program from the ISC in October 2022. Given LM's property management and analytics expertise, the Department expects this transition to enable it to provide enhanced oversight of FAP asset and data management at posts. LM officials stated that they have plans to develop aggregated FAP data reports in ILMS that would enable LM to summarize FAP data on a global level. These reports should allow LM to more efficiently monitor potential issues, determine whether posts have taken appropriate corrective actions, and identify posts in need of targeted training and guidance. However, LM officials stated that, as of FY 2023, they have not received Department funding to adequately establish program oversight and staff the unit that would be responsible for these duties. Nonetheless, greater attention to these matters is warranted and necessary to monitor compliance. OIG is therefore offering the following recommendations.

Recommendation 1: OIG recommends that the Bureau of Administration develop and implement a process to improve oversight of posts' Furniture and Appliance Pool program management activities. The process should include oversight controls that address Furniture and Appliance Pool data issues.

Management Response: The Bureau of Administration concurred with the recommendation, stating that it will collaborate with the ISC, posts, and bureaus to establish business practices to improve FAP data quality and prevent ongoing data errors in ILMS. In addition, the Bureau of Administration stated that it will implement system enhancements to reduce the likelihood of FAP data issues that occur in the asset receiving process.

OIG Reply: On the basis of the Bureau of Administration's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration developed and implemented a process to improve oversight of posts' FAP program management activities, including oversight controls that address FAP data issues.

Recommendation 2: OIG recommends that the Bureau of Administration, in coordination with the Bureau of the Comptroller and Global Financial Services, develop and implement oversight controls to prevent overseas posts from maintaining Furniture and Appliance Pool program assets in ineligible locations. The oversight controls should include a plan of action to consult with the Bureau of Overseas Buildings Operations when necessary.

Management Response: The Bureau of Administration concurred with the recommendation, stating that it will collaborate with the ISC to monitor posts' FAP asset management for instances of FAP assets being moved to ineligible locations. In addition, the Bureau of Administration stated that it will work with the ISC and OBO to direct posts to remove FAP assets from designated housing that is supported by OBO.

OIG Reply: On the basis of the Bureau of Administration's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration developed and implemented oversight controls to prevent overseas posts from maintaining FAP program assets in ineligible locations, including a plan of action to consult with OBO when necessary.

Training and Guidance

Another reason for the deficiencies identified was that the Department did not always provide sufficient training or guidance to key personnel at selected posts to ensure that the personnel had the necessary knowledge and skills. According to GAO, "[o]nly when the right personnel for the job are on board and are provided the right training, tools, structure, incentives, and responsibilities is operational success possible." Furthermore, GAO states that "[t]raining is aimed at developing and retaining employee knowledge, skills, and abilities to meet . . .

organizational needs.”⁶¹ GAO also states that management disseminates policies and procedures so that personnel can implement control activities for their assigned responsibilities.⁶²

ISC and LM officials stated that they provide trainings and instructional materials to post personnel with FAP responsibilities. Available training includes FAP sessions at General Services Officer workshops, FAP presentations on the Department’s internal ICASS website, and general asset management training offered through the Foreign Service Institute and the ILMS portal. FAP presentations at General Services Officer workshops and guidance on the internal ICASS website touch on topics such as policy, funding, budgeting, data integrity, and spending plans. Foreign Service Institute and ILMS both offer trainings that cover asset management. In addition, reference guides on the Department’s internal ICASS website provide FAP information and procedures related to funding, budgeting, fee calculations, fee collections, and data integrity.

In addition to that training, ISC officials stated that they have resumed activities that were suspended because of the COVID-19 pandemic. Specifically, they have resumed providing financial guidance to posts by holding budget workshops with FMOs and consultative sessions with key post personnel. ISC officials stated that during these sessions, they provide post personnel with data related to the post’s FAP to give them a better understanding of the financial history of the FAP and how the FAP fees were determined.

However, at the four selected posts, the level of FAP training and guidance received by General Services Office personnel varied. The General Services Officer and/or General Services Office staff at three posts stated they had no formal training on the FAP program. In addition, the General Services Officer at one post stated that the FAP program was not covered in much detail in formal General Services Officer training courses. Specifically, according to this General Services Officer, at one training, the FAP program was covered in a 30-minute breakout session that did not allow sufficient time for questions and discussion. General Services Officers at three of the four selected posts expressed concerns about the availability, accessibility, and sufficiency of formal training (both introductory and refresher training) to successfully manage the FAP program.

Some of the training and guidance issues identified by OIG include:

- LM officials acknowledged the importance of post officials knowing how to accurately identify and enter FAP asset classification data; however, according to LM officials, because of limited funding, it has been difficult to provide key personnel with sufficient training.
- LM officials stated that personnel should be able to increase lifecycles in ILMS when they plan to use FAP assets beyond the standard replacement cycle. In contrast, ISC

⁶¹ GAO-14-704G, September 2014, page 46.

⁶² Ibid., page 56.

officials stated that General Services Office personnel should revise the ILMS replacement dates for the assets instead of increasing the lifecycles. These incongruent management philosophies may have impeded the Department's ability to provide General Services Office personnel with consistent and accurate training and guidance on FAP asset lifecycle requirements.

- General Services Office personnel were not always aware of the requirement to update replacement dates for FAP assets used beyond the expected useful life. ISC officials acknowledged that current training and guidance on asset replacement data requirements may need to be enhanced to ensure that General Services Officers know how to effectively use the data tools available to fulfill their FAP responsibilities.
- A General Services Officer suggested that they did not have the knowledge or information necessary to properly complete and maintain multi-year spending plans. The FAH indicates that posts should maintain a multi-year spending plan to ensure posts have adequate funding to meet long-term FAP requirements.^{63,64} In addition, Department officials stated that posts should develop annual spending plans based on multiple years of FAP program data as opposed to developing plans that project FAP program spending for multiple years. However, the policy is not clear about what is required or how it should be done.
- The Department did not have sufficient records retention guidance to ensure that key FAP financial records were available and accessible to post personnel. ISC officials stated that they maintained supporting documentation for FAP fee change requests from posts, fee calculation worksheets, and regional bureau fee approvals on an internal shared drive. However, this information was not easily accessible to key personnel at posts.

Although the Department has some FAP training and instructional materials available online, post officials stated that sifting through the information is time-consuming and difficult considering their daily work responsibilities. Some post personnel also stated that the Department should provide all key post personnel with FAP training that covers both asset management and financial management concepts to give personnel a more comprehensive understanding of how to effectively manage the FAP program. OIG is therefore offering the following recommendations.

Recommendation 3: OIG recommends that the Bureau of Administration, in coordination with the Bureau of the Comptroller and Global Financial Services and the Foreign Service Institute, enhance current Furniture and Appliance Pool program training to provide detailed guidance on asset classification; asset lifecycles; asset replacement dates; spending plans; furniture and appliance pool eligible and ineligible

⁶³ 6 FAH-5 H-512.4(d)(3).

⁶⁴ Department officials stated that General Services Officers should work with FMOs to develop FAP spending plans because financial management of the FAP program is a shared responsibility.

assets; maintenance of the furniture, furnishings, appliances, and equipment listing; and data, asset, and financial management.

Management Response: The Bureau of Administration agreed with the recommendation, stating that it will collaborate with the ISC to secure FAP program funding to support the goal of expanding the amount and availability of training, including on-demand training videos, virtual interactive training sessions, regional in-person training, and staff-assisted visits to posts with the greatest needs.

OIG Reply: On the basis of the Bureau of Administration's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration enhanced current FAP program training to provide detailed guidance on asset classification; asset lifecycles; asset replacement dates; spending plans; FAP eligible and ineligible assets; maintenance of the FFA&E listing; and data, asset, and financial management.

Recommendation 4: OIG recommends that the Bureau of Administration, in coordination with the Bureau of the Comptroller and Global Financial Services and the Foreign Service Institute, annually disseminate information to all personnel with Furniture and Appliance Pool program responsibilities at overseas posts regarding the availability of and expectation to complete furniture and appliance pool-specific training developed in response to Recommendation 3.

Management Response: The Bureau of Administration concurred with the recommendation, stating that it will collaborate with the ISC to send an annual communication to all personnel with FAP program responsibilities at overseas posts regarding the availability of and expectation to complete FAP training as needed.

OIG Reply: On the basis of the Bureau of Administration's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration disseminated — and has documented plans to disseminate annually — information to all personnel with FAP program responsibilities at overseas posts regarding the availability of and expectation to complete FAP-specific training developed in response to Recommendation 3.

Recommendation 5: OIG recommends that the Bureau of Administration, in coordination with the Bureau of the Comptroller and Global Financial Services, reevaluate existing policy requirements for furniture and appliance pool asset lifecycles and update policies and procedures with clarifying language related to adjusting furniture and appliance pool asset lifecycles from the standards specified.

Management Response: The Bureau of Administration concurred with the recommendation, stating that it will work with the ISC to clarify guidance and policy on

asset lifecycle minimums as it relates to adjusting budget and spend plans to accommodate lifecycle fluctuations.

OIG Reply: On the basis of the Bureau of Administration's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration reevaluated existing policy requirements for FAP asset lifecycles and updated policies and procedures with clarifying language related to adjusting FAP asset lifecycles from the standards specified.

Recommendation 6: OIG recommends that the Bureau of Administration, in coordination with the Bureau of the Comptroller and Global Financial Services, develop and disseminate guidance that instructs overseas posts to periodically review and update the furniture, furnishings, appliances, and equipment listing in posts' Furniture and Appliance Pool program policies.

Management Response: The Bureau of Administration concurred with the recommendation, stating that it will work with the ISC to instruct posts to review their FAP policy, which includes the FFA&E listing, at least once every 2 years.

OIG Reply: On the basis of the Bureau of Administration's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration developed and disseminated guidance that instructs overseas posts to periodically review and update the FFA&E listing in posts' FAP program policies.

Recommendation 7: OIG recommends that the Bureau of the Comptroller and Global Financial Services revise Furniture and Appliance Pool (FAP) program policy to clarify the requirement for overseas posts to maintain multi-year FAP program spending plans.

Management Response: The Bureau of the Comptroller and Global Financial Services accepted the recommendation.

OIG Reply: On the basis of the Bureau of the Comptroller and Global Financial Services' concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the Bureau of the Comptroller and Global Financial Services revised FAP program policy to clarify the requirement for overseas posts to maintain multi-year FAP program spending plans.

Recommendation 8: OIG recommends that the Bureau of the Comptroller and Global Financial Services update policies and procedures for retaining overseas posts' Furniture and Appliance Pool program fee-related records so the information is readily available and accessible upon request for a period of time specified in the guidance.

Management Response: The Bureau of the Comptroller and Global Financial Services accepted the recommendation.

OIG Reply: On the basis of the Bureau of the Comptroller and Global Financial Services' concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the Bureau of the Comptroller and Global Financial Services updated policies and procedures for retaining overseas posts' FAP program fee-related records so the information is readily available and accessible upon request for a period of time specified in the guidance.

System Controls

Another reason for the deficiencies identified was that ILMS system controls needed improvement. According to GAO, management should design information systems to achieve objectives, respond to risks, and obtain and process information to meet operational requirements. The GAO guidance includes the design of application (or business process) controls⁶⁵ "that are incorporated directly into computer applications to achieve validity, completeness, accuracy, and confidentiality of transactions and data during application processing."⁶⁶

FAP data integrity issues occurred because application controls within ILMS did not prevent users from entering data that did not meet policy requirements and did not require users to make necessary data corrections or justifications. For example, ILMS does not automatically populate the FAH-prescribed lifecycle for specific FAP asset types or prevent users from modifying this data field. LM officials stated that ILMS uses the lifecycle value that post personnel had previously assigned to that asset class rather than the standard lifecycle. In addition, ILMS does not require users to update the replacement date for assets that posts use beyond the expected useful life. Although the Department implemented the FAP Asset Profile, Potentially Misclassified FAP, and Residential Asset Replacement Plan reports in ILMS to help posts detect potentially inaccurate or outdated FAP data, additional ILMS control enhancements could help the Department prevent data inaccuracies and prompt timely correction of data issues.

LM officials stated that their goal is to build stronger system controls to prevent improper actions that negatively impact data quality or require escalation for higher level review. However, budget constraints have hindered the Department's ability to fund these ILMS control enhancements. Nonetheless, attention to this matter is important to prevent improper actions and to monitor compliance. OIG is therefore offering the following recommendations.

⁶⁵ Application controls include controls over input, processing, output, master file, and interface, as well as data management system controls.

⁶⁶ GAO-14-704G, September 2014, pages 51 and 53.

Recommendation 9: OIG recommends that the Bureau of Administration develop and implement controls within the Integrated Logistics Management System that require the use of mandated, minimum replacement standards for furniture and appliance pool asset lifecycles.

Management Response: The Bureau of Administration concurred with the recommendation, stating that it will determine ILMS enhancements that would align FAP asset lifecycles with the minimum replacement standards outlined in the FAH.

OIG Reply: On the basis of the Bureau of Administration's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration developed and implemented controls within ILMS that require the use of mandated, minimum replacement standards for FAP asset lifecycles.

Recommendation 10: OIG recommends that the Bureau of Administration implement controls within the Integrated Logistics Management System that ensure periodic updates to the replacement dates for furniture and appliance pool assets.

Management Response: The Bureau of Administration concurred with the recommendation, stating that it will determine a systems-based approach to requiring periodic updates to replacement dates for FAP assets.

OIG Reply: On the basis of the Bureau of Administration's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration implemented controls within ILMS that ensure periodic updates to the replacement dates for FAP assets.

Other Control Activities

According to GAO, "[c]ontrol activities are the policies, procedures, techniques, and mechanisms that enforce management's directives to achieve the entity's objectives and address related risks." These activities include the complete, accurate, and timely recording of information that is key to managing operations and making decisions.⁶⁷ OIG found that other insufficient control activities negatively impacted the Department's ability to establish FAP fees in accordance with policies and procedures.

For example, selected posts did not always calculate FAP buy-in and annual assessment fees accurately because key personnel did not perform appropriate reconciliations of the assets included in the calculations. Specifically, personnel at selected posts did not compare the assets listed in the calculation worksheets with those authorized in the post's FAP program policy to

⁶⁷ GAO-14-704G, September 2014, pages 45, 48.

ensure that they did not include costs for assets that were not provided to residents and did not exclude costs for assets that were provided to residents. Personnel at selected posts also did not compare the assets listed in the calculation worksheets with those authorized in the FAH for inclusion in the FAP to ensure that costs for FAP-ineligible assets were not included. Furthermore, personnel at selected posts did not reconcile all lifecycles factored into the annual assessment calculation with those stipulated for specific asset types in the FAH. To address these identified deficiencies, OIG is offering the following recommendation.

Recommendation 11: OIG recommends that the Bureau of the Comptroller and Global Financial Services develop and annually distribute to overseas posts guidance related to reconciling Furniture and Appliance Pool (FAP) program fee calculation worksheets to the furniture, furnishings, appliances, and equipment listings in posts' FAP program policies and to the Foreign Affairs Handbook prior to submitting requests to change FAP program fees.

Management Response: The Bureau of the Comptroller and Global Financial Services accepted the recommendation.

OIG Reply: On the basis of the Bureau of the Comptroller and Global Financial Services' concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives documentation demonstrating that the Bureau of the Comptroller and Global Financial Services developed — and has documented plans to annually distribute to overseas posts — guidance related to reconciling FAP program fee calculation worksheets to the FFA&E listings in posts' FAP program policies and to the FAH prior to submitting requests to change FAP program fees.

Impact of Deficiencies Identified

Without quality FAP inventory and financial data, accurate fee calculations, proper FAP asset management practices, and the availability of key FAP records, Department personnel cannot reliably establish FAP program fees in accordance with the program objectives set forth in Department policies and procedures. Posts must have quality FAP program data to determine current and future FAP program needs effectively and reliably. Asset misclassifications skew the reported quantities of on-hand FAP assets, and inaccurate FAP asset lifecycles distort the reported annual depreciation values used to estimate future replacement costs. These issues, in turn, negatively impact the accuracy of FAP program fee calculations. Furthermore, outdated FAP asset replacement dates and insufficient FAP financial planning hinder posts' ability to generate data that accurately reflect when and to what extent future expenditures will likely be incurred. Posts need reliable FAP inventory and financial data to calculate FAP program fees that are consistent with requirements. Maintaining complete and accurate FAP program data would help the Department set FAP program fees that achieve the appropriate level of funding to furnish FAP residences and maintain and replace current assets without overcharging FAP program participants, accumulating excess funds, or running out of funds.

In addition, the inclusion of costs for unauthorized assets, or the exclusion of costs for authorized assets issued to residents, in fee calculations can lead to the establishment of inappropriate FAP program fee amounts. Specifically, the inclusion of unauthorized asset costs can result in overstated fee calculations and the exclusion of authorized asset costs can result in understated fee calculations.

Furthermore, improper FAP asset management practices can result in unnecessary FAP expenditures or improper use of FAP funds, which increases the overall cost of the FAP. This, in turn, may cause a post's FAP to become underfunded or may result in the establishment of FAP program fees that are higher than necessary to cover the increased cost. When the Department sets FAP program fees that are too high or too low commensurate with program needs at posts, it can result in an overfunded or underfunded FAP program.

Finally, maintaining sufficient support documentation for FAP program fee determinations would enable post personnel to assess the suitability of current FAP program fees more effectively and efficiently to determine if adjustments may need to be made. With staffing gaps, turnover, and heavy workloads for General Services Officers at posts, fee-setting records that identify the data, information, assumptions, and calculations used to establish current FAP program fees are necessary. These records would help personnel more quickly ascertain whether estimated funding levels would sufficiently cover future FAP requirements. Maintaining sufficient documentation would also result in timelier and more effective decision making related to FAP financial planning and management. OIG trusts that the recommendations offered in this report, when fully implemented, will improve the Department's procedures for establishing FAP program fees in accordance with FAP program goals and expectations.

RECOMMENDATIONS

Recommendation 1: OIG recommends that the Bureau of Administration develop and implement a process to improve oversight of posts' Furniture and Appliance Pool program management activities. The process should include oversight controls that address Furniture and Appliance Pool data issues.

Recommendation 2: OIG recommends that the Bureau of Administration, in coordination with the Bureau of the Comptroller and Global Financial Services, develop and implement oversight controls to prevent overseas posts from maintaining Furniture and Appliance Pool program assets in ineligible locations. The oversight controls should include a plan of action to consult with the Bureau of Overseas Buildings Operations when necessary.

Recommendation 3: OIG recommends that the Bureau of Administration, in coordination with the Bureau of the Comptroller and Global Financial Services and the Foreign Service Institute, enhance current Furniture and Appliance Pool program training to provide detailed guidance on asset classification; asset lifecycles; asset replacement dates; spending plans; furniture and appliance pool eligible and ineligible assets; maintenance of the furniture, furnishings, appliances, and equipment listing; and data, asset, and financial management.

Recommendation 4: OIG recommends that the Bureau of Administration, in coordination with the Bureau of the Comptroller and Global Financial Services and the Foreign Service Institute, annually disseminate information to all personnel with Furniture and Appliance Pool program responsibilities at overseas posts regarding the availability of and expectation to complete furniture and appliance pool-specific training developed in response to Recommendation 3.

Recommendation 5: OIG recommends that the Bureau of Administration, in coordination with the Bureau of the Comptroller and Global Financial Services, reevaluate existing policy requirements for furniture and appliance pool asset lifecycles and update policies and procedures with clarifying language related to adjusting furniture and appliance pool asset lifecycles from the standards specified.

Recommendation 6: OIG recommends that the Bureau of Administration, in coordination with the Bureau of the Comptroller and Global Financial Services, develop and disseminate guidance that instructs overseas posts to periodically review and update the furniture, furnishings, appliances, and equipment listing in posts' Furniture and Appliance Pool program policies.

Recommendation 7: OIG recommends that the Bureau of the Comptroller and Global Financial Services revise Furniture and Appliance Pool (FAP) program policy to clarify the requirement for overseas posts to maintain multi-year FAP program spending plans.

Recommendation 8: OIG recommends that the Bureau of the Comptroller and Global Financial Services update policies and procedures for retaining overseas posts' Furniture and Appliance Pool program fee-related records so the information is readily available and accessible upon request for a period of time specified in the guidance.

Recommendation 9: OIG recommends that the Bureau of Administration develop and implement controls within the Integrated Logistics Management System that require the use of mandated, minimum replacement standards for furniture and appliance pool asset lifecycles.

Recommendation 10: OIG recommends that the Bureau of Administration implement controls within the Integrated Logistics Management System that ensure periodic updates to the replacement dates for furniture and appliance pool assets.

Recommendation 11: OIG recommends that the Bureau of the Comptroller and Global Financial Services develop and annually distribute to overseas posts guidance related to reconciling Furniture and Appliance Pool (FAP) program fee calculation worksheets to the furniture, furnishings, appliances, and equipment listings in posts' FAP program policies and to the Foreign Affairs Handbook prior to submitting requests to change FAP program fees.

APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

The Office of Inspector General (OIG) conducted this audit to determine whether the Department of State (Department) established fees for participation in the Furniture and Appliance Pool (FAP) program in accordance with Department policies and procedures.

OIG conducted this audit from May to December 2022 in the Washington, DC, metropolitan area. The scope of this audit involved an assessment of the Department's procedures for setting the FAP buy-in and annual assessment fees in effect during FY 2021. OIG performed remote work at two bureaus—the Bureau of the Comptroller and Global Financial Services and the Bureau of Administration—and four overseas posts—Embassy Bujumbura, Burundi; Embassy Georgetown, Guyana; Embassy Rangoon, Burma; and Embassy Stockholm, Sweden. OIG conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. OIG faced challenges in completing this work because of the COVID-19 pandemic. These challenges included limitations on in-person meetings and difficulties within the Department that affected its ability to respond to OIG requests for information in a timely manner. Despite the challenges, OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions presented in this report.

To obtain background information, OIG analyzed FAP data reports and researched and reviewed Department policies, procedures, and informal guidance related to FAP financial and asset management. To gain an understanding of the audit topic, OIG conducted interviews with key officials and subject matter experts with knowledge and oversight of the FAP program. To assess the Department's procedures for establishing FAP program fees, OIG conducted testing that included assessments of the accuracy, completeness, and appropriateness of posts' FAP program policies; furniture, furnishings, appliances, and equipment listings; FAP inventory and financial data; and FAP program fee calculations. OIG also evaluated the appropriateness of FAP property management practices that impact FAP program fee determinations.

Data Reliability

OIG used computer-processed data to support the finding and conclusions presented in this report. Specifically, OIG used FAP program data from the Department's Integrated Logistics Management System (ILMS), International Cooperative Administrative Support Services (ICASS) Global Database, and fee calculation worksheets generated by personnel at selected posts. To assess the accuracy and completeness of this data, OIG:

- Recalculated totals for key fields.
- Checked for unexpected blanks in key fields.
- Compared data values in key fields with those identified in separate reports or source documents.

- Tested whether values in key fields were within designated ranges stipulated in Department policies and procedures.

During testing, OIG found that FAP data from ILMS and the fee calculation worksheets were not always accurate and complete. To overcome the deficiencies identified, OIG discussed methodologies used to collect and assess the data with officials from the International Cooperative Administrative Support Services Service Center (ISC) and the Bureau of Administration, Office of Logistics Management, as well as personnel at selected posts. OIG also reviewed Department documentation on ILMS and the fee calculation worksheet templates to corroborate the information obtained during interviews. As a result, OIG determined that the data were sufficiently reliable to fulfill the objective of this audit. Data issues identified during the audit are detailed in the Audit Results section of this report.

Work Related to Internal Control

During the audit, OIG considered a number of factors, including the subject matter of the project, to determine whether internal control was significant to the audit objective. Based on its consideration, OIG determined that internal control was significant for this audit. OIG then considered the components of internal control and the underlying principles included in the *Standards for Internal Control in the Federal Government*¹ to identify internal controls that were significant to the audit objective. Considering internal control in the context of a comprehensive internal control framework can help auditors to determine whether underlying internal control deficiencies exist.

For this audit, OIG concluded that three of five internal control components from the *Standards for Internal Control in the Federal Government*—Control Environment, Control Activities, and Information and Communication—were significant to the audit objective. The Control Environment component is the foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives. The Control Activities component includes the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity's information system. The Information and Communication component relates to the quality of information that management and personnel communicate and use to support the internal control system. OIG also concluded that three principles related to the selected components were significant to the audit objective, as described in Table A.1.

¹ Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

Table A.1: Internal Control Components and Principles Identified as Significant

Components	Principles
Control Environment	Principle 2 – The oversight body should oversee the entity’s internal control system.
Control Activities	Principle 10 – Management should design control activities to achieve objectives and respond to risks.
Information and Communication	Principle 13 – Management should use quality information to achieve the entity’s objectives.

Source: Generated by OIG from an analysis of internal control components and principles from the Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

OIG then interviewed Department officials, reviewed data and documents, and performed walkthroughs of FAP program fee-setting, data management, and asset management processes to obtain an understanding of the internal controls related to the components and principles identified as significant for this audit. OIG assessed the design and implementation of key internal controls. Specifically, OIG:

- Interviewed Department officials to determine if they had processes in place for maintaining oversight of posts’ FAP program fee calculations, FAP data management, and FAP asset management.
- Reviewed FAP program fee calculation and approval processes, data management procedures, training and guidance, documentation and records, and system capabilities to assess the extent to which the Department applied control activities to establish FAP program fees properly.
- Evaluated the quality of available FAP program data and information used to make FAP program fee determinations to assess the extent to which the Department established information and communication components of internal control for setting FAP program fees.

Internal control deficiencies identified during the audit that are significant within the context of the audit objective are presented in the Audit Results section of this report.

Sampling Methodology

OIG’s sampling objective was to select overseas posts with FAP programs to determine to what extent they used reliable data and proper asset management procedures to calculate reasonable FAP buy-in and annual assessment fees that align with program needs.

OIG obtained FY 2021 FAP program data from the ISC’s FAP Data Model report, which measures FAP performance and provides information on the status of FAP financial management. OIG removed records for posts without a FAP program, posts with an inactive FAP program, and posts with data aggregated at the mission level. OIG identified a project universe of 152 posts

and missions² that had a total of approximately \$210.3 million in available FAP funds and \$259.6 million in accumulated depreciation in residences (which represents future asset replacement costs) for FAP assets.

From the project universe of 152 posts and missions, OIG used a risk-based approach to develop target universes of posts and missions with consistently underfunded or overfunded FAP programs. OIG defined “consistently underfunded FAP” and “consistently overfunded FAP” as FAPs with a sustainability coefficient below 0.40 and above 0.70, respectively, without significant variation from FY 2019 to FY 2021. OIG determined that posts with consistently underfunded or overfunded FAPs were at higher risk of establishing FAP program fees that are not in accordance with Department policies and procedures. Using a nonstatistical sampling methodology³ and a systematic sampling design,⁴ OIG selected two posts with consistently underfunded FAP programs and two posts with consistently overfunded FAP programs for testing. Table A.2 provides details on the selected posts.

Table A.2: Posts Selected

Location	FY 2021 Total Available FAP Funds	FY 2021 Estimated Future Asset Replacement Costs	FY 2021 FAP Sustainability Coefficient	FY 2020 FAP Sustainability Coefficient	FY 2019 FAP Sustainability Coefficient
Bujumbura, Burundi	\$187,876	\$653,874	0.29	0.20	0.31
Georgetown, Guyana	\$161,161	\$543,183	0.30	0.26	0.37
Rangoon, Burma	\$1,708,502	\$514,162	3.32	2.36	3.07
Stockholm, Sweden	\$853,257	\$305,513	2.79	3.37	4.94
Total	\$2,910,797*	\$2,016,731*			

* Totals do not add up precisely due to rounding errors.

Source: Generated by OIG from data provided by the ISC.

Prior Office of Inspector General Reports

In January 2020, OIG reported⁵ that Mission South Africa did not manage its FAP program in accordance with Department standards and collected more from participating agencies than was required to administer the FAP program. Specifically, OIG determined that the mission had

² This figure includes 27 missions with aggregated FAP data for the posts under each of the missions. The posts associated with these missions were not included in the project universe.

³ A nonstatistical sampling method draws on the auditor’s experience and professional judgment in selecting units for evidence from the sampling frame (target universe).

⁴ Systematic sampling is a nonstatistical sampling method in which every xth unit from a randomly or judgmentally determined starting point is selected from the sampling frame (target universe) to form the sample.

⁵ OIG, *Inspection of Embassy Pretoria and Constituent Posts, South Africa* (ISP-I-20-09, January 2020).

not calculated appropriate buy-in or annual assessment fee amounts, which resulted in growth of the mission's FAP program account carryover balance each year. OIG recommended that Embassy Pretoria, South Africa, manage its FAP program in accordance with Department standards. OIG closed the recommendation in August 2020.

In December 2017, OIG reported⁶ that Embassy Beijing, China, and its consulates general provided inaccurate data on their FAP program needs because the embassy's annual assessment of program needs did not account for the fact that landlords provided furniture and appliances for most new housing units. As a result, Mission China charged participating agencies excessive buy-in and annual assessment charges. OIG recommended that Embassy Beijing conduct an annual assessment of its FAP program and, if deemed necessary, reduce its FAP program fees. OIG closed the recommendation in March 2018.

⁶ OIG, *Inspection of Embassy Beijing and Constituent Posts, China* (ISP-I-18-04, December 2017).

APPENDIX B: BUREAU OF THE COMPTROLLER AND GLOBAL FINANCIAL SERVICES RESPONSE



United States Department of State
Comptroller
Washington, D.C. 20520

June 12, 2023

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MEMORANDUM

TO: OIG/AUD – Sherry Fullwood, Director

FROM: CGFS – James A. Walsh, Comptroller *JAW*

SUBJECT: OIG Draft Audit of Department of State Procedures to Establish
Program Fees for the Furniture and Appliance Pool

Thank you for the opportunity to comment on the Draft Report for the Audit of the Department of State Procedures to Establish Program Fees for the Furniture and Appliance Pool recommendations.

Recommendation 7: OIG recommends that the Bureau of the Comptroller and Global Financial Services revise Furniture and Appliance Pool (FAP) program policy to clarify the requirement for overseas posts to maintain multi-year FAP program spending plans.

Recommendation 8: OIG recommends that the Bureau of the Comptroller and Global Financial Services update policies and procedures for retaining overseas posts' Furniture and Appliance Pool program fee-related records so the information is readily available and accessible upon request for a period of time specified in the guidance.

Recommendation 11: OIG recommends that the Bureau of the Comptroller and Global Financial Services develop and annually distribute to overseas posts guidance related to reconciling Furniture and Appliance Pool (FAP) program fee calculation worksheets to the furniture, furnishings, appliances, and equipment listings in posts' FAP program policies and to the Foreign Affairs Handbook prior to submitting requests to change FAP program fees.

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-2-

The Bureau of the Comptroller and Global Financial Services (CGFS) accepts the recommendations provided in the Draft Report. CGFS is committed to continuing to work, in coordination with key stakeholders throughout the Department and the interagency ICASS Working Group, to address these recommendations and to improve the ICASS Program for the Furniture and Appliance Pool.

CGFS would like to suggest a minor correction to the following statement found on page 2 under the heading "Furniture and Appliance Pool Program Fees." The report states: "Annual assessments are designed to cover the cost of refurbishing or replacing a post's existing FAP assets." The inclusion of "refurbishing" is incorrect in this statement, as fenced annual assessment fees may not be used for refurbishing assets. Instead, refurbishing is paid for through non-fenced ICASS funds budgeted in the FAP maintenance cost center. This guidance is found in [6 FAH-5 H-512.4 \(b\) FAP Budgeting and Funding](#).

The operational point of contact is Joyce Gordon-Shapkaliska. She may be reached by email at gordon-shapkaliskaj@state.gov or by phone at (771)-204-7011.

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-3-

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APPENDIX C: BUREAU OF ADMINISTRATION RESPONSE



United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

June 20, 2023

MEMORANDUM

TO: OIG/AUD – Norman P. Brown

FROM: A/LM – John W. Dinkelman 

SUBJECT: *Draft Report on Audit of Department of State Procedures to Establish Program Fees for the Furniture and Appliance Pool Program*

Thank you for the opportunity to provide a response to the subject report.

Recommendation 1: OIG recommends that the Bureau of Administration develop and implement a process to improve oversight of posts' Furniture and Appliance Pool program management activities. The process should include oversight controls that address Furniture and Appliance Pool data issues.

Management Response (06-12-2023): The Bureau of Administration (A/LM) concurs with the recommendation. As noted in the report, A/LM established the Furniture and Appliance Pool (FAP) Unit within the Property Management Division beginning in October 2022. The first directive of this new unit has been to assist posts with FAP data cleanup and oversight. The Bureau of Administration will collaborate with the ICASS Service Center (ISC), posts, and bureaus to establish business practices for both improving the FAP data quality as well as preventing ongoing data errors in ILMS Asset Management. In addition to establishing these business practices, the FAP Unit is working with the A/LM Systems Division to implement system enhancements to reduce the likelihood of FAP data issues occurring in the asset receiving process. These efforts to improve data quality will be an ongoing and perpetual effort for the next several years as the Bureau of Administration embarks on its enterprise-level IT modernization effort.

Recommendation 2: OIG recommends that the Bureau of Administration, in coordination with the Bureau of the Comptroller and Global Financial Services, develop and implement oversight controls to prevent overseas posts from maintaining Furniture and Appliance Pool program assets in ineligible locations. The oversight controls should include a plan of action to consult with the Bureau of Overseas Buildings Operations when necessary.

Management Response (06-13-2023): The Bureau of Administration concurs with the recommendation. A/LM will collaborate with the ICASS Service Center (ISC) to monitor when posts move FAP assets into ineligible locations. For designated housing that is supported by

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-2-

OBO's Office of Residential Design and Furnishing (OBO/OPS/RDF), A/LM, the ISC and OBO will direct posts to remove FAP assets.

Recommendation 3: OIG recommends that the Bureau of Administration, in coordination with the Bureau of the Comptroller and Global Financial Services and the Foreign Service Institute, enhance current Furniture and Appliance Pool program training to provide detailed guidance on asset classification; asset lifecycles; asset replacement dates; spending plans; furniture and appliance pool eligible and ineligible assets; maintenance of the furniture, furnishings, appliances, and equipment listing; and data, asset, and financial management.

Management Response (06-12-2023): The Bureau of Administration agrees that additional opportunities for training on FAP program and property management operations, internal controls, data integrity, and program financial management are vital. A/LM will collaborate with the ISC to secure FAP program funding to support the goal of expanding the amount and availability of training to include on-demand training videos, virtual interactive training sessions, regional in-person trainings, as well as staff-assisted visits to posts with the greatest needs.

Recommendation 4: OIG recommends that the Bureau of Administration, in coordination with the Bureau of the Comptroller and Global Financial Services and the Foreign Service Institute, annually disseminate information to all personnel with Furniture and Appliance Pool program responsibilities at overseas posts regarding the availability of and expectation to complete furniture and appliance pool-specific training developed in response to Recommendation 3.

Management Response (06-12-2023): The Bureau of Administration concurs with the recommendation. Working in concert, the Bureau of Administration will collaborate with the ISC to send an annual communication to all personnel with FAP program responsibilities at overseas posts regarding the availability of and expectation to complete FAP training as needed.

Recommendation 5: OIG recommends that the Bureau of Administration, in coordination with the Bureau of the Comptroller and Global Financial Services, reevaluate existing policy requirements for furniture and appliance pool asset lifecycles and update policies and procedures with clarifying language related to adjusting furniture and appliance pool asset lifecycles from the standards specified.

Management Response (06-12-2023): The Bureau of Administration concurs with the recommendation and will work in tandem with the ISC to clarify guidance and policy on general asset lifecycle minimums as it relates to adjusting budget and spend plans to accommodate lifecycle fluctuations.

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-3-

Recommendation 6: OIG recommends that the Bureau of Administration, in coordination with the Bureau of the Comptroller and Global Financial Services, develop and disseminate guidance that instructs overseas posts to periodically review and update the furniture, furnishings, appliances, and equipment listing in posts' Furniture and Appliance Pool program policies.

Management Response (06-12-2023): The Bureau of Administration concurs with the recommendation and will align with the ISC to instruct posts to review their post FAP policy, which includes a review of post's furniture listings, at least once every two years.

Recommendation 9: OIG recommends that the Bureau of Administration develop and implement controls within the Integrated Logistics Management System that require the use of mandated, minimum replacement standards for furniture and appliance pool asset lifecycles.

Management Response (06-12-2023): The Bureau of Administration concurs. A/LM will determine ILMS system enhancements that would align furniture and appliance pool asset life cycles with the minimum replacement standards as outlined in 14 FAH-1 H-213. A/LM will ensure that its ILMS Data Analytics products related to furniture and appliance pool equities support posts in analyzing FAP data.

Recommendation 10: OIG recommends that the Bureau of Administration implement controls within the Integrated Logistics Management System that ensure periodic updates to the replacement dates for furniture and appliance pool assets.

Management Response (06-12-2023): The Bureau of Administration concurs. A/LM will determine a systems-based approach to require periodic updates to replacement dates for furniture and appliance pool assets. A/LM will ensure that its ILMS Data Analytics products related to furniture and appliances reflect estimated replacement dates.

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-4-

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ABBREVIATIONS

CMR	Chief of Mission Residence
DCR	Deputy Chief of Mission Residence
FAH	Foreign Affairs Handbook
FAM	Foreign Affair Manual
FAP	Furniture and Appliance Pool
FFA&E	Furniture, Furnishings, Appliances, and Equipment
FMO	Financial Management Officer
GAO	Government Accountability Office
ICASS	International Cooperative Administrative Support Services
ILMS	Integrated Logistics Management System
ISC	ICASS Service Center
LM	Office of Logistics Management
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General

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