

Office of Audits
FY 2011 Performance Plan



U.S. Department of State and Broadcasting
Board of Governors
Office of Inspector General

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Message From the Assistant Inspector General for Audits

U.S. Department of State and Broadcasting Board of Governors

I am pleased to present the Office of Audits performance plan for fiscal year (FY) 2011. Since the development of our last strategic plan, the Office of Audits has reorganized to better align our oversight efforts with the Department's growing global mission and strategic priorities to include Global Health, Food Security, Climate Change, and Democracy and Governance. This strategic performance plan sets forth our pathway to promote positive change, maximize efficiency and value in our work, and lead by example in creating a model organization within the Office of Inspector General and the Department. It further provides the means and strategies by which we will achieve these priorities and the standards by which we will measure our success. This is an evolving document, which will be updated as necessary to ensure that our work remains relevant, timely, and responsive to global developments and the priorities of the foreign affairs community. I want to express my gratitude to all the staff who assisted in the development of this plan and my profound appreciation to those who will implement it.

Evelyn R. Klemstine, Assistant Inspector General, September 2010

Introduction

The Office of Audits has a leading role in helping the Department of State (the Department) and the Broadcasting Board of Governors (BBG) improve management; strengthen integrity and accountability; and ensure the most efficient, effective, and economical use of resources. Our activities are global in scope, supporting the highest priorities of the Department. Our oversight extends to the Department's and BBG's 60,000+ employees and more than 270 missions and other facilities worldwide, funded through combined annual appropriations of more than \$50 billion. We remain at the forefront of efforts to identify potential savings and cost efficiencies for the Department and BBG, and we strive to provide timely, relevant, and useful feedback on the progress of their programs and initiatives. Our mandate includes the traditional areas of emphasis for the Department and BBG – including diplomatic and consular affairs, security, international broadcasting, administrative and financial management, and information technology – as well as new initiatives and priorities.

“OIG is at one of those moments where many reports are being completed. Inevitably, several of these reports will be controversial. We will be attacked for a variety of perceived failings ranging from ignorance, to partiality and negativity. Our being defensive is never an option. Being determined to be honest and intelligent is the only option.” — *Harold W. Geisel, Deputy Inspector General, July 2010*

Our Mission, Vision, and Core Values

The mission of the Office of Audits is to conduct and direct independent audits and program evaluations to promote effective management, accountability, and positive change in the Department, BBG, and the foreign affairs community. We provide leadership to:

- Promote integrity, efficiency, effectiveness, and economy;
- Prevent and detect waste, fraud, abuse, and mismanagement;
- Identify vulnerabilities and recommend constructive solutions;
- Offer expert assistance to improve Department and BBG operations;
- Communicate timely, useful information that facilitates decision-making and achieves measurable gains; and
- Keep the Department, BBG, and the Congress fully and currently informed.

Our vision is to be a world-class organization promoting effective management, accountability, and positive change in the Department of State, the Broadcasting Board of Governors, and the foreign affairs community. Our core values are:

- **Credibility:** We are committed to the highest standards of accountability, independence, integrity, and professionalism.
- **Objectivity:** As an independent agent for positive change, our reports and other products are factual, accurate, informative, and reliable.
- **Relevance:** Our work is directed at Department and BBG priorities, with an emphasis on global issues; the effectiveness of foreign assistance programs; resource-intensive programs and operations; and the Department's coordination with other U.S. Government agencies.
- **Usefulness:** Our products assist decision makers in improving programs and making the most effective spending decisions in an environment of constrained financial resources.
- **Timeliness:** Our audits and evaluations are conducted in a timely manner and distributed broadly to ensure recommended actions promptly result in savings, cost recoveries, prevention of losses, and improved efficiencies and security.

Our Statutory Responsibilities

The 1978 Inspector General Act, the 1980 Foreign Service Act, and the 1998 Foreign Affairs Reform and Restructuring Act charge the OIG with oversight responsibility for

the Department of State and the Broadcasting Board of Governors. These responsibilities include detecting and preventing waste, fraud, and mismanagement and assessing whether U.S. foreign policy goals are being achieved, resources are used to maximum efficiency, and all elements of U.S. overseas missions are coordinated. We are also responsible for evaluating compliance with other legislation – such as the Chief Financial Officers Act, the Federal Managers’ Financial Integrity Act, and the Federal Information Security Management Act – designed to enhance management performance.

The Office of Audits follows generally accepted government auditing standards, as outlined in our *Office of Audits Manual*. We incorporate applicable standards into our planning process and, where appropriate, into the procedures used by others on our behalf. These standards are designed to set the tone for the use of professional judgment in performing work on a wide variety of assignments. It is our policy to review annually the procedures and practices we follow and to initiate prompt action when necessary to ensure compliance with governing standards and improve internal efficiency and effectiveness.

Our Organization

The Office of Audits consists of six functional divisions and an audit operations division that conduct audits and program evaluations of the management and financial operations of the Department and BBG, including their audited financial statements, information security, internal operations, and external activities funded by the Department through contracts or financial assistance. The audits and program evaluations that we will conduct this coming year will assess to what extent the Department’s established priorities and objectives are achieved; whether resources are used economically and efficiently; determine whether intended and realized results are consistent with laws, regulations, and good business practices; and test financial accountability and the reliability of financial statements.

“As always, integrity, quality, and thoroughness must be the hallmark of our work. A report will only be interesting if the authors themselves are enthusiastic about the product, especially its recommendations. . . . It’s clear to me that our work is being thoroughly read by high level decision makers, to say nothing of people in Congress and (especially) in the media.

Your work keeps getting better and better. I’m delighted with our important **and** interesting work.” —
Harold W. Geisel, Deputy Inspector General, June 2010

Office of Audits



Our Stakeholders

Our products are directed to and used by a wide range of public and private sector entities to include the Congress; the Secretary of State and other Department officials, managers, and staff; the Board of the BBG and BBG management and staff; the Council of Inspectors General on Integrity and Efficiency; other U.S. Government agencies; and members of the general public – especially the U.S. taxpayer. We continually seek input from our stakeholders in planning our work to accommodate special requests received outside of the planning process, and we welcome feedback on our products, processes, and services.

Our General Means and Strategies

The fundamental means for the Office of Audits to achieve its strategic and performance goals will be the audits and program evaluations we perform and direct. In addition to fulfilling mandatory requirements and responding to requests, we strive to react to the priorities and demands of the foreign affairs community and proactively review new programs and potential problem areas identified in the course of our work. We direct the work of select Certified Public Accounting firms to augment our oversight efforts within the Department and BBG. We work closely with our colleagues in the Middle East Regional Office and the Offices of Inspections and Investigations to build expert knowledge of the Department's operations; share information to deter,

detect, and prosecute fraud; and develop strategies that advance our oversight mission. We will continue to review and, as appropriate, revise our processes and methodologies to get the most value from our resources, better serve our customers and other interested parties, and ensure the achievement of our strategic and performance goals.

We will continue to pursue authorization for the personnel authorities and financial incentives needed to recruit the staff and skill sets needed to fulfill our work assignments throughout the world. We will continue to promote professional development of our staff with a variety of educational and career development opportunities to include both formal training at high quality institutions and on-the-job experiences internally and through temporary details to functional positions in the Department and other U.S. Government agencies.

Finally, we will focus discretionary audits and evaluations on high priority areas to help decision-makers within the Department, BBG, and the Congress manage scarce financial resources. In planning our audits and evaluations, we will target high-cost programs, key management challenges, and vital operations to provide Department and BBG managers with information that will assist them in making operational decisions. Our FY 2011 plan recognizes the Department's High Priority Performance Goals to include Global Health, Food Security, Climate Change, Democracy and Governance, and Management-Building-Civilian Capacity.

Our Strategic Goals, Strategies, and Performance Indicators

Goal One: Positive Change

Support and assist the Department and the BBG in strengthening management and consular capabilities and program effectiveness.

Strategies

- Ensure audits and evaluations address issues of concern to our stakeholders, and periodically reassess areas of emphasis to reflect changing priorities of the Administration, Congress, the Department, and BBG.
- Utilize an informed, risk management approach to identify mission-critical systems and operations, major management challenges, potential vulnerabilities, and priority areas for evaluation.
- Through our audits, evaluations, and compliance follow-up reviews, assess Department and BBG progress in correcting identified management control weaknesses.

- Identify systemic issues and best practices found in the course of individual audits and evaluations, and recommend global solutions to strengthen Department and BBG management and programs.
- Deploy integrated, multifunctional teams of auditors, evaluators, information technology specialists, and security professionals to leverage OIG resources in addressing high priority work.

Performance Indicators

1-1. Percentage of recommendations resolved within nine months.

Recommendations are the primary outputs of our audits and program evaluations, and they serve as the vehicle for correcting vulnerabilities and realizing positive change in the Department and BBG. Resolution of recommendations reflects management's willingness to take the actions we recommended to correct identified problems and improve programs and operations. The percentage of recommendations resolved within nine months for audits and evaluations indicates to what extent management has agreed to take timely action to correct identified problems in line with our recommendations or has identified acceptable alternatives that are expected to result in improved programs and operations. Our FY 2011 target is 85%.

1-2. Percentage of OIG reports that focus on Department and BBG management challenges.

Our audits and program evaluations assess Department and BBG efforts to achieve results-oriented management, identify major management challenges, and recommend improvements. The percentage of our work related to agency management challenges demonstrates the degree to which we are focused on improving the areas of greatest vulnerability in agency operations. Our FY 2011 target is 94%.

Goal Two: Efficiency and Value

Produce timely, quality work and products with relevant, credible, reliable information that is useful to Department, BBG, and Congressional decision-makers, particularly in managing resources.

Strategies

- Perform risk assessments when planning audits and evaluations to identify opportunities for cost savings and the avoidance of costs.

- Review and recommend internal control improvements in programs and functions of the Department and BBG that are vulnerable to misappropriation, loss, or waste of resources.
- Assess the economy, efficiency, and effectiveness of interagency program support services, including whether the most cost-effective means are used in providing services to foreign affairs agencies overseas.
- Maintain internal quality assurance and review programs to ensure reliability and credibility of Office of Audits products.
- Maintain transparency in conducting and reporting the results of audits and evaluations.
- Maximize the use of appropriate technologies to start jobs sooner, finish them quicker, disseminate the results broadly, and facilitate the storage and retrieval of reports.

Performance Indicator

2-1. Monetary benefits: questioned costs, funds put to better use, cost savings, and efficiencies.

Our audits and evaluations result in potential and actual cost savings and efficiencies to the Department and BBG. Monetary benefits from our work result in more effective and efficient use of U.S. taxpayer dollars and are a primary mandate of the Office of Audits. Our FY 2011 target is \$10 million.

Goal Three: People

Lead by example in providing a model work environment that facilitates timely, quality work and products.

Strategies

- Focus recruitment efforts on requisite skill sets and individuals who possess the knowledge, skills, and abilities to masterfully perform audits and evaluations.
- Encourage all employees to complete Individual Development Plans, ensure that all employees fulfill mandatory training requirements, and support employees in their pursuit of developmental training.

- Encourage and support employees' efforts to achieve appropriate professional certifications, such as the designation of Certified Public Accountant, Certified Internal Auditor, and Certified Information Systems Auditor.
- Provide the support structure and technological tools and equipment that will assist employees in producing quality and timely products.

Performance Indicator

3-1. Annual rate of attrition for Civil Service employees.

The Office of Audits products and services are only possible through its people. Our success is predicated on attracting and retaining highly qualified employees with functional and/or subject-matter expertise in auditing, program evaluation, foreign policy, information technology, security, and public diplomacy. Employee retention is measured in terms of annual attrition of Civil Service employees.

Our Methodology for Investing Resources

The methodology we use to guide the investment of our resources is predicated on the performance goals and strategies noted above and four additional factors: (1) Congressional and executive **mandated audits**; (2) the Department's **High Priority Performance Goals** for FY 2011; (3) dedicated **funding levels** and **potential risks**; and (4) **holistic audit attention** to all bureaus and offices charged with advancing the Department's and BBG's mission.

Mandated Assignments

The Office of Audits currently has 16 Congressional and executive mandated assignments. These assignments are generally conducted annually, and many relate to financial management and information technology security requirements stemming from the Government Management Reform Act (GMRA) and the Federal Information Security Management Act (FISMA). A listing of mandatory assignments and the division responsible for conducting them follows:

1. Financial Statement Audit of the Department of State [Financial Management Division]
2. Financial Statement Audit of the Broadcasting Board of Governors [Financial Management Division]
3. Financial Statement Audit of the Foreign Service Retirement and Disability Fund [Financial Management Division]
4. Financial Statement Audit of the International Boundary and Water Commission [Financial Management Division]

5. Financial Statement Audit of the International Cooperative Administrative Support Services [Financial Management Division]
6. FISMA Evaluation of the Department of State's Information Security Program [Information Technology Division]
7. FISMA Evaluation of the Broadcasting Board of Governors Information Security Program [Information Technology Division]
8. FISMA Evaluation of the Intelligence Community's Information Security Program [Information Technology Division]
9. Annual Attestation of the Department of State Bureau of International Narcotics and Law Enforcement Affairs Drug Control Funds and Related Performance Report [Financial Management Division]
10. Performance Reports for the Office of National Drug Control Policy (ONDCP) [Financial Management Division]
11. OMB Circular A-133 Quality Control Review of Single Audits [Contracts and Grants Division]
12. OMB Circular A-133 – Single Audit Act Initial (Desk) Reviews [Contracts and Grants Division]
13. Audit of the National Endowment for Democracy [Contracts and Grants Division]
14. Audit of Expenditures Made Under the Emergencies in the Diplomatic and Consular Services Appropriation (K-Fund) [Financial Management Division]
15. Audit of Recovery Act [Contracts and Grants Division]
16. Audit of Department Compliance With Trafficking Victims Protection Reauthorization Act of 2008 [International Programs Division]

Priorities of the Department of State and BBG

We organized the Department's top priorities to align with the themes of the Quadrennial Diplomacy and Development Review (QDDR). The QDDR is now underway and is intended to offer guidance on how the Department will update methodologies, deploy staff, add new tools and hone old ones, and exercise new and restored authorities to ensure the effective execution of solutions to foreign affairs priorities. Figure 1 depicts the five QDDR themes and our associated placement of High Performance Goals within each: **the Department's High Priority Performance Goals**¹; **State & USAID Strategic Plan**; **Deputy Secretary Lew's Budget Planning**; and **Government Accountability Office (GAO) High Risk**. Our investment of resource also recognizes Strategic Communications and Technology employed by BBG.

¹ Source: Office of Management and Budget, FY 2011 Department of State High Priority Performance Goals

Figure 1

QDDR Themes	<u>High Priority Performance Goals; State & USAID Strategic Plan; DS Lew's Budget Planning; GAO High Risk</u>	Lead Bureaus/ Offices
<p>1. Building a Global Architecture of Cooperation</p> <p>Exploring what capabilities are needed to address global challenges and leveraging international partnerships to provide solutions.</p>	<ul style="list-style-type: none"> • <u>Global Health</u> • Promote Economic Growth and Prosperity • Promote International Understanding • Enhance Strategic, Bilateral, Multilateral Partnerships • Addressing HIV/AIDS Challenges • <u>Global Security</u> • Strategic Communications and Technology (BBG) • Fostering Public Diplomacy & International Broadcasting • <u>Climate Change</u> 	<p>S/GAC USG= \$63B over 6 yrs.</p> <p>ISN</p> <p>S/SECC USG= \$30 B over 3 yrs.</p>
<p>2. Leading and Supporting Whole-of-Government Solutions</p> <p>Examining whole-of-government approaches to U.S. foreign policy.</p>	<ul style="list-style-type: none"> • Provide Humanitarian Assistance • Strengthen Global Security • Stabilizing Regional Conflicts • Reforming United Nations Management • <u>Afghanistan-Pakistan</u> • <u>Iraq - Transition from Military to Civilian</u> 	<p>S/SRAP 7.5% Budget Increase above FY 2010</p>
<p>3. Investing in the Building Blocks of Stronger Societies</p> <p>Investigating the ability of State and USAID to have long-term impacts overseas and how current approaches can be improved to promote economic growth, food, governance, and security.</p>	<ul style="list-style-type: none"> • <u>Democracy and Governance</u> • Govern Justly and Democratically • Invest in People • Build Civilian Capacity • Sustaining Counternarcotics Activities • Enhancing Democracy & Human Rights 	<p>DRL</p>
<p>4. Preventing and Responding to Crises and Conflicts</p> <p>Examining conflict prevention and response and how development & diplomacy tools can be quickly & efficiently deployed in a variety of situations & environments.</p>	<ul style="list-style-type: none"> • <u>Food Security</u> • Achieve Peace and Security (Counterterrorism) • Promote Long-term Development & Human Security • Maintaining Resources to Meet Urgent Human Needs • Maximizing Humanitarian Assistance 	<p>S/P State = \$3.5B over 3 yrs.</p> <p>2,000 member Civilian Reserve Corps</p>
<p>5. Building Operational and Resource Platforms for Success</p> <p>Assessing what changes are necessary to allow the Department & USAID to fully carry out their functions through hiring & training of personnel, budget planning, contracting oversight, and resource management.</p>	<ul style="list-style-type: none"> • <u>Management-Building-Civilian Capacity</u> • Strengthen Consular and Management Capabilities • Strengthening Visa & Passport Operations • Addressing Staffing Challenges 	<p>HR/RMA 25% Increase in FSOs by 2014</p>

Funding Levels and Potential Risks

Figure 2 depicts the Department’s High Priority Performance Goals, along with additional information relating to the bureaus and offices charged with advancing the performance goals, the funding associated with each, and some of the specific programs used to implement them.

Figure 2

OMB High Priority Goals	Lead Bureaus	FY10 Budget Request	Select Programs to Advance Priorities
<ul style="list-style-type: none"> Global Health 	S/GAC, OES, S/GWI	\$5.29 billion	\$4.122 billion for integrated prevention, care, and treatment programs in all PEPFAR supported countries.
<ul style="list-style-type: none"> Global Security 	ISN, PM, VCI, INL, S/CT	\$8.4 billion	Interagency Counterinsurgency Initiative; \$765.4 million; Non- proliferation, Antiterrorism, Demining, and Related Programs (NADR); Global Threat Reduction Program; \$550 million for the Mérida Initiative; Global Peace Operations Initiative.
<ul style="list-style-type: none"> Climate Change 	S/SECC OES, EEB	\$579 million	Arctic Contaminants Action Program; Arctic Monitoring & Assessment Program; Greenhouse Gas, Major Economies Initiatives and Programs. \$177.7 million for OES for the Global Climate Change Initiative
<ul style="list-style-type: none"> BBG 	BBG	\$745.5 million	\$732.2 million for International Broadcasting Operations. VOA \$1.8 m; MBN \$113 m; RFE/RL \$91.2 m; Engineering and Technical \$188.5 million.
<ul style="list-style-type: none"> Afghanistan-Pakistan 	S/SRAP, DRL, INL	\$6.2 billion	\$4.8 billion for the Economic Support Fund; \$790 million for the International Narcotics Control and Law Enforcement.
<ul style="list-style-type: none"> Iraq – Transition from Military to Civilian 	NEA, INL, DRL	\$984 million	\$569 million for the International Narcotics Control and Law Enforcement; \$382 million for the Economic Support Fund;
<ul style="list-style-type: none"> Democracy and Governance 	DRL, S/GWI, G/TIP, EEB, INL, OES, F	\$2.814 billion for Good Governance (State/ USAID); \$4.1 billion for humanitarian assistance programs.	Middle East Partnership Initiative; President’s Interagency Task Force on Trafficking in Persons; Human Rights Democracy Fund.
<ul style="list-style-type: none"> Food Security 	S/P, RM, EEB,OES S/GAC	\$1.31 billion	Water for the Poor Act – irrigation and clean water programs; resources for adapting crops to climate change; diplomatic tools to ensure policy environment for agriculture-led growth.
<ul style="list-style-type: none"> Management-Building-Civilian Capacity 	HR/RM A, S/CRS, INL, PM, S/CT	\$45 million	Civilian Stabilization Initiative; Stabilization Bridge Fund Rapid Response Fund

Holistic Audit Attention

Much of our oversight over the past decade has fittingly involved the Department’s most prominent bureaus: Administration (A), Resource Management (RM), Diplomatic Security (DS), International Narcotics and Law Enforcement (INL), Overseas Buildings Operations (OBO), and Political Military Affairs (PM).² BBG and International Broadcasting Bureau (IBB) entities and grantees have also been afforded significant attention. In FY 2011, we are initiating oversight activities in a number of bureaus that are integral to advancing the Department’s high priority performance goals to include the Bureau of Oceans and International Environmental & Scientific Affairs (OES), Global Women’s Issues (GWI), Office to Monitor & Combat Trafficking in Persons (G/TIP), and Economic, Energy, & Business Affairs (EEB). This new focus reflects our desire to add value to the Department’s priorities while meeting the demands of the Congress and foreign affairs community to proactively review new programs and deter waste, fraud, and mismanagement. Additionally, we will be contributing to the Federal oversight mission in Afghanistan by joining the Special Inspector General for Afghanistan Reconstruction to audit the implementation of the Civilian Uplift in support of the U.S. reconstruction effort in Afghanistan. We will also work alongside our colleagues at the Department of Defense Inspector General to perform a joint audit of the Afghanistan National Police Force.

Our Fiscal Year 2011 Performance Plan

Contracts and Grants

Bureau/OIG Audit Division	Audit Title	Primary Objective	Justification	Initiate Month/Year
IRM, RM, DS, INR, A, CA, and Overseas Bureaus/CG	Recovery Act Monitoring of Audits Performed by OIG/IPAs (Carryover)	To monitor Independent Public Accounting firm audits of Recovery Act funding over \$500 million while assessing compliance with Federal procurement and Recovery Act regulations.	Mandatory	December 2009

² Source: Office of Audits Compliance Assignment Tracking System (CATS), June 22, 2010

Bureau/OIG Audit Division	Audit Title	Primary Objective	Justification	Initiate Month/Year
IRM, RM, A, and Overseas Bureaus/CG	OIG Staff Recovery Act Audits: Overseas Telephone Contracts and Overseas Desktop Procurements (Carryover)	To concurrently evaluate two Recovery Act-funded programs and contracts valued at over \$20 million for compliance with Federal procurement regulations and Recovery Act requirements.	Mandatory	March 2010
RM, A, and Overseas Bureaus/CG	Audit of Embassy Baghdad Overtime Controls for Locally Employed Staff (LES) (Carryover)	To evaluate internal controls governing overtime for LES staff working at Embassy Baghdad but paid through home post employee compensation plans and assess if payments were accurate and internal financial controls were adequate.	Program Cost Risks	May 2010
A, RM, PM, and other various Domestic and Overseas Bureaus and BBG/CG	Audit of Department of State and BBG Programs for Suspensions and Debarments	To evaluate Department and BBG (two concurrent audits) policies and procedures that govern programs for suspensions and debarments and determine compliance with Federal procurement regulations and guidelines to ensure deficient contractors are not eligible for Department and USG awards.	Program Cost Risks	December 2010
Domestic and Overseas Bureaus DOS and BBG	OMB Circular A-133 – Quality Control Review of Single Audits OMB Circular A-133 – Single Audit Act Initial (Desk) Reviews	Pursuant to the requirements of OMB Circular A-133, to provide selected (1) Quality Control Review of Single Audits and (2) Single Audit Act Initial (Desk) Reviews that can identify questioned costs for repayment to the DOS and BBG.	Mandatory	December 2010

Bureau/OIG Audit Division	Audit Title	Primary Objective	Justification	Initiate Month/Year
BBG/CG	Audit of BBG Grants to Radio Farda for Surrogate Broadcasting to Iran	To perform an audit of an approximately \$10 million annual grant to Radio Farda for Surrogate Broadcasting to Iran to determine compliance with grant terms and agreements and assess risk for fraud, waste, and mismanagement of Federal funds.	Program and Grant Cost Risks	January 2011
NED, ECA, and NEA Bureaus/CG	Audit of National Endowment for Democracy (NED) grants	To evaluate NED and its sub-recipients grantees in order to determine compliance with grant terms and agreements and assess risk for fraud, waste, and mismanagement of Federal funds.	Mandatory	June 2011
Bureaus of EAP, NEA, and ECA Affairs/CG	Audit of Fulbright Commissions in the Bureaus of East Asian and Pacific Affairs (EAP) and Near East Affairs (NEA)	To determine compliance with grant terms for select Fulbright Commissions in EAP and NEA, and evaluate ECA oversight.	Program and Grant Cost Risks	August 2011

Financial Management

Bureau/OIG Audit Division	Audit Title	Primary Objective	Justification	Initiate Month/Year
DOS/FM	Audit of the Department's FY 2010 Financial Statements (Carryover)	To determine whether the financial statements and related notes are presented fairly, in all material respects, in conformity with the accounting principles generally accepted in the United States.	Mandatory	January 2010

Bureau/OIG Audit Division	Audit Title	Primary Objective	Justification	Initiate Month/Year
BBG/FM	Audit of BBG's FY 2010 Financial Statements (Carryover)	To determine whether the financial statements and related notes are presented fairly, in all material respects, in conformity with the accounting principles generally accepted in the United States.	Mandatory	January 2010
IBWC/FM	Audit of IBWC's FY 2010 Financial Statements (Carryover)	To determine whether the financial statements and related notes are presented fairly, in all material respects, in conformity with the accounting principles generally accepted in the United States.	Mandatory	June 2010
RM/FM	Compliance of Emergencies in the Diplomatic and Consular Services (K Fund) Expenditures with Legal Requirements (Carryover)	To determine to what extent the Department is expending K Funds in accordance with legal requirements.	Mandatory	August 2010
INL and RM/FM	Review of DOS FY 2011 Accounting and Authentication of Drug Control Funds and Related Performance Report for the Office of National Drug Control Policy (ONDCP)	To authenticate the Department's FY 2010 accounting of drug control funds and related performance in compliance with ONDCP guidance.	Mandatory	December 2010
CA and RM/FM	Audit of the Collection and Use of Machine Readable Visa (MRV) Fees	To ensure that the Department has adequate controls over collecting, tracking, and using MRV fees.	Program Risk	November 2010

Bureau/OIG Audit Division	Audit Title	Primary Objective	Justification	Initiate Month/Year
DOS/FM	Audit of the Department's FY 2011 Financial Statements	To determine whether the financial statements and related notes are presented fairly, in all material respects, in conformity with the accounting principles generally accepted in the United States.	Mandatory	January 2011
BBG/FM	Audit of BBG's FY 2011 Financial Statements	To determine whether the financial statements and related notes are presented fairly, in all material respects, in conformity with the accounting principles generally accepted in the United States.	Mandatory	January 2011
RM and HR/FM	Audit of Foreign Service Retirement and Disability Fund's (FSRDF) FY 2010 Financial Statements	To determine whether the financial statements and related notes are presented fairly, in all material respects, in conformity with the accounting principles generally accepted in the United States.	Mandatory	March 2011
IBWC/FM	Audit of International Boundary Water Commission's (IBWC) FY 2011 Financial Statements	To determine whether the financial statements and related notes are presented fairly, in all material respects, in conformity with the accounting principles generally accepted in the United States.	Mandatory	July 2011

Bureau/OIG Audit Division	Audit Title	Primary Objective	Justification	Initiate Month/Year
ECA/FM	Controls Over Grantees Using Government Travel Cards	To determine to what extent ECA ensures that the grantees are using the Citibank credit cards for needed travel related to the grants requirements.	Program Risk	August 2011

Human Capital and Infrastructure

Bureau/OIG Audit Division	Audit Title	Primary Objective	Justification	Initiate Month/Year
MED/HCI	Department of State's Recovery of Insurance Payments Relating to Medical Evacuations of Overseas American Employees and Eligible Family Members (Carryover)	To determine whether internal controls are in place and being properly implemented to ensure that insurance payments for medical services rendered in medical evacuations are properly reimbursed to the Department.	Program Risk	July 2010
OBO/HCI	Department of State's Internal Controls Over Lease Costs for Residential Property Overseas (Carryover)	To determine whether (a) adequate internal controls are in place to prevent and detect malfeasance and/or fraud in the leasing of overseas residential properties and (b) current leases appear to reflect appropriate market levels.	Program Risk	September 2010
HR/HCI	Department of State's Effort to Recruit and Retain Highly Skilled Personnel	To determine to what extent the Department's efforts to recruit and retain foreign service generalists have been effective.	High Priority Performance Goal	February 2011

Bureau/OIG Audit Division	Audit Title	Primary Objective	Justification	Initiate Month/Year
HR/ HCI	Audit of Department of State's Procedures to Discontinue Payroll Actions for Separated Employees	To determine to what extent the Department has in place effective internal controls to timely remove separated employees from the payroll.	Program Risk	April 2011

Information Technology

Bureau/OIG Audit Division	Audit Title	Primary Objective	Justification	Initiate Month/Year
DOS/IT	Review of the Information Security Program at the Department of State (Carryover)	To evaluate the effectiveness of security controls and techniques for selected information systems and compliance with Federal Information Security Management Act (FISMA) and related information security policies, procedures, standards, and guidelines.	Mandatory	July 2010
BBG/IT	Review of the Information Security Program at the Broadcasting Board of Governors (BBG) (Carryover)	To evaluate the effectiveness of security controls and techniques for selected information systems and BBG compliance with FISMA and related information security policies, procedures, standards, and guidelines.	Mandatory	July 2010
CA/IT	Audit of the Department of State's Travel Document Issuance System and the Passport Information Electronic Records System.	To determine whether the Travel Document Issuance System (TDIS) and the Passport Information Electronic Records System (PIERS) are adequately secured to ensure integrity, confidentiality, and reliability of operations.	Program Risks	October 2010

Bureau/OIG Audit Division	Audit Title	Primary Objective	Justification	Initiate Month/Year
BBG/IT	Review of the Information Security Program at the Broadcasting Board of Governors (BBG)	To evaluate the effectiveness of security controls and techniques for selected information systems and BBG compliance with FISMA and related information security policies, procedures, standards, and guidelines.	Mandatory	February 2011
DS,INR/IT	Review of the Information Security Program for Sensitive Compartmented Information (SCI) Systems at the Department of State	To evaluate the effectiveness of security controls and techniques for SCI systems and compliance by the Department's Intelligent Community with FISMA and related information security policies, procedures, standards, and guidelines.	Mandatory	February 2011
DOS/IT	Review of the Information Security Program at the Department of State	To evaluate the effectiveness of security controls and techniques for selected information systems and compliance with Federal Information Security Management Act (FISMA) and related information security policies, procedures, standards, and guidelines.	Mandatory	February 2011
IRM and HR/FM	Audit of Department of State's Approach to Developing an Automated Time & Attendance System	To determine to what extent: (1) the Department considered relevant business processes in developing the Time & Attendance System requirements; (2) coordination within the Department was effective to ensure user needs were addressed; and, (3) the Department addressed information security requirements.	Program Risks	April 2011

International Programs

Bureau/OIG Audit Division	Audit Title	Primary Objective	Justification	Initiate Month/Year
SECC, OES, F/IP	Audit of Interagency Planning and Coordination of the Low-Carbon Strategies (LCDS) Program (Carryover)	To determine whether the Department is adequately monitoring the low-carbon strategies (LCDS) programs, effectively coordinating with its partner organizations, and has established appropriate measures for success.	Program Risk	September 2010
TIP/IP	Audit of Compliance with Trafficking in Persons Requirements for Department of State Contracts (Carryover)	To determine whether contractors or subcontractors are engaged, knowingly or unknowingly, in acts related to trafficking in persons and whether the State is effectively monitoring contracts to verify that contractors are not engaged in trafficking.	Mandatory	September 2010
GAC, OES, GWI/IP	Audit of the Department of State's Global Health and Child Survival Account – PEPFAR Funding	To determine whether S/GAC has properly accounted for and allocated more than \$5 billion in PEPFAR funds used to strengthen the commitment and capacity of partner governments in the fight against HIV/AIDS.	High Priority Performance Goal	April 2011
INL/IP	Audit of the Department of State's Efforts to Enhance the Management and Oversight of its Aviation Fleet Assets.	To determine to what extent the Department's initiatives to improve its management and oversight of its aviation fleet have been effectively implemented and comply with technical aviation standards, contract administration requirements, long range planning and budgeting procedures, and aviation safety standards.	Program Risk	April 2011

Security and Intelligence

Bureau/OIG Audit Division	Audit Title	Primary Objective	Justification	Initiate Month/Year
DS/SI	State Department Controls Over Diplomatic Security Domestic Firearms and Equipment (Carryover)	To determine to what extent DS is maintaining, controlling, and accounting for firearms and equipment.	Program Risks	August 2010
RM, EEB, OES, GAC/SI	Department of State's Efforts to Ensure Successful Monitoring of its Global Hunger and Food Security Initiatives	To determine to what extent the Department has implemented internal controls to effectively monitor and measure the progress of its Global Hunger and Food Security Initiatives (GHFSI).	High Priority Performance Goal	October 2011
SECC, OES, EEB/SI	Effectiveness of the Department's Multilateral Financial Assistance to Combat Climate Change	To determine the effectiveness of multilateral financial assistance provided by the Department to combat climate change worldwide.	High Priority Performance Goal	January 2011