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Inspection of the
Bureau of South and Central Asian Affairs

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PURPOSE, SCOPE, AND METHODOLOGY OF THE INSPECTION

This inspection was conducted in accordance with the Quality Standards for Inspections, as issued by the President's Council on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General (OIG) for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

PURPOSE AND SCOPE

The Office of Inspections provides the Secretary of State, the Chairman of the BBG, and Congress with systematic and independent evaluations of the operations of the Department and the BBG. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and economy and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instance of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

METHODOLOGY

In conducting this inspection, the inspectors: reviewed pertinent records; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.

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Key Judgments

- The smallest and newest of the Department's traditional regional bureaus, the Bureau of South and Central Asian Affairs (SCA) achieves much.
- Staff in the bureau's Office of India, Nepal, Sri Lanka, Bangladesh, Bhutan, and Maldives Affairs (SCA/INSB) routinely work 50- to 60-hour weeks to support the explosive growth in the relationship between the United States and India, as well as expansion of relations with other nations in South Asia. The bureau should seek additional staff positions in that office to better address the changes in these relationships with the United States.
- In early 2009, SCA's Afghanistan and Pakistan desks began reporting to the Office of the Special Representative for Afghanistan and Pakistan (S/SRAP); they were made directly responsible to S/SRAP's deputy, who was also named a deputy assistant secretary (DAS) in SCA. Communications between SCA and S/SRAP have not been as effective as they could be. With a likely transition of the desks and other S/SRAP responsibilities back to SCA in the next several years, SCA needs to begin to be more broadly engaged in or aware of S/SRAP programs and activities that it may inherit at that time.
- The Office of Press and Public Diplomacy is a large office with management challenges. Leadership within the office is at the core of these problems; that issue is being addressed. The introduction of a first-ever public diplomacy DAS in September 2010 required working out roles and responsibilities for the new DAS and the office director. That effort is still a work in progress, but it is moving in the right direction.
- The executive office that supports both the Bureau of South and Central Asian Affairs and the Bureau of Near Eastern Affairs does a remarkably good job, particularly given the heavy workload. However, the financial management office's ability to properly manage the funds it controls is questionable. Operational deficiencies in the delivery of human resources (HR) services, to include those provided by the domestic HR service provider, need to be addressed.

All findings and recommendations in this report are based on conditions observed during the onsite review and the standards and policies then in effect. The report does not comment at length on areas where OIG did not identify problems that need to be corrected.

The inspection took place in Washington, DC, between January 10 and March 17, 2011.

(b) (6)



Context

SCA is the newest of the Department's regional bureaus. The Department split the Bureau of Near Eastern and South Asian Affairs and established the Bureau of South Asian Affairs in 1992. That configuration consisted of eight South Asian nations stretching from the Bangladesh-Burma border in the east to Afghanistan's borders with Iran and Turkmenistan in the west. In 2006, the Department shifted the five former Soviet Union republics of Central Asia into the bureau, redesignating it as the Bureau of South and Central Asian Affairs.

With the creation of S/SRAP in January 2009, the country desks for Afghanistan and Pakistan, as well as responsibility for Department communications with the embassies in Kabul and Islamabad, transferred to S/SRAP. The bureau's executive office, however, continued to provide administrative support to the two country desks and U.S. missions in Afghanistan and Pakistan.

In addition to a principal deputy assistant secretary (PDAS), the bureau has separate DASes overseeing relations with the South Asia subregion (minus Pakistan and Afghanistan), with Central Asia, and for public diplomacy. Also, at the creation of S/SRAP, the senior deputy to the special representative was designated concurrently as a DAS in SCA. This arrangement was intended to ensure effective communication between SCA and S/SRAP, in particular on regional issues, such as India and Central Asia.

After the terrorist attack of September 11, 2001, protection of the homeland was the foremost U.S. interest pursued by SCA. This required full-time bureau leadership of diplomatic efforts to detect, deter, and defeat al-Qaeda, which had embedded itself in Afghanistan and built a network of affiliates in the region. The creation of S/SRAP and its focus on Pakistan and Afghanistan in 2009 freed SCA to give more attention to the burgeoning bilateral relationship with India, as well as to other expanding bilateral relationships in South Asia. It also enabled bureau leadership to devote greater efforts to U.S. relations with the five Central Asian states. With the emergence of India as a growing international political and economic power in the 21st century, the bureau is putting a majority of its effort into relations with India as a key national priority of the Obama Administration. Moreover, the need to diversify supply routes for U.S. forces in Afghanistan has given new urgency to maintenance of relations with Central Asian states. The bureau's public diplomacy efforts to support all of these goals are also of great urgency at this time, especially outreach to Muslims, since the numbers of Muslims in South and Central Asia are larger than those in the Middle East, Southeast Asia, or Africa.

Notwithstanding the buildup of civilian personnel in Pakistan and Afghanistan, SCA is the smallest geographic bureau in the Department, covering 13 countries. Including the missions in Afghanistan and Pakistan, it has 130 employees domestically, and 1,063 direct-hire positions and 5,443 locally employed (LE) staff. The total FY 2010 budget resources (domestic and overseas) for SCA are \$837 million (excluding salaries for direct-hire Americans).

Executive Direction

While SCA is the smallest and newest of the Department's traditional regional bureaus, it achieves much. During 2010 alone, the bureau managed a series of high-level events with India that included a groundbreaking visit to Washington by India's foreign minister, the first Strategic Dialogue between the Secretary of State and U.S. cabinet officials with their Indian counterparts, cabinet level visits to India, and, late in the year, President Obama's visit to New Delhi and Mumbai. The pace has not slackened in 2011 as the bureau already has supported the visit of the Indian secretary of foreign affairs and has made preparations for another Strategic Dialogue, in which Secretary Clinton will be joined by the Secretary of Defense and other U.S. cabinet officials in New Delhi. At the same time, the Assistant Secretary led interagency teams for a series of exchanges with the states of Central Asia, the so-called Annual Bilateral Consultations, even as his staff worked closely with the Department of Defense and two U.S. combatant commands on supply routes through the region to support U.S. forces in Afghanistan, and as that office responded to a political crisis and transition in Kyrgyzstan. Meanwhile, the bureau worked across a range of traditional issues, including engagement through public diplomacy, human rights, nuclear nonproliferation, education, and trade, while also supporting the work of the S/SRAP office.

Particularly with respect to India, a staff smaller by about half than that of similar offices in other bureaus working on large, regional power country issues, such as China, Russia, or Mexico did this work. The composition of the office staff is unusual, too, for its variety, with a mix of Foreign Service and Civil Service officers, including newly minted officers from the Department's entry-level officer training class on short tours, Presidential Management Fellows, interns, and other HR work-arounds. (See section on Office of India, Nepal, Sri Lanka, and Bangladesh for additional details and recommendations.)

Leadership and Management

The bureau is led by a career Foreign Service officer with regional experience and strong leadership skills. His personable and attentive management style is appreciated; some bureau personnel claim they sought positions in the bureau in order to work with him. He knows his staff and frequently communicates directly with desk officers, while keeping their supervisors informed. Desk officers welcome his awareness and direct contact. He is also respected in the bureau and outside for transparency. His weekly all-hands meeting, to which all bureau staff are invited, is seen as an opportunity to stay aware of the Assistant Secretary's interests and concerns and to keep him and other bureau leaders informed. The OIG team observed that these meetings are effective for information exchange. Other Department bureaus and outside agencies appreciate his candor and straightforward style; rather than resort to bureaucratic gamesmanship, the Assistant Secretary is known for seeking to bridge differences, and where that is not possible, saying so and informing others how he intends to proceed.

The Assistant Secretary selected well qualified deputies to support him. In addition to his own India expertise, the principal deputy and another deputy have extensive India and other South Asia experience. One deputy, recruited from Embassy Moscow, brings both direct experience with Russia, which is deeply engaged with the five Central Asian states, and Russian

language skills, which are still important for communication in the subregion. The deputy charged with oversight of public diplomacy is a career Foreign Service public diplomacy officer who brings extensive regional and functional expertise to the new bureau position. Bureau staff admires these leaders for their expertise, as well as their leadership qualities.

Bureau leaders are aware of their responsibility to monitor the effectiveness and quality of leadership in the bureau's embassies and constituent posts. The time differences and great distances between Washington and the region make close monitoring a challenge, but the Assistant Secretary has provided guidance and counseling to ambassadors in several instances. Also, leadership issues with principal officers at two constituent posts reinforced to bureau leaders the importance of a thorough and wide-ranging evaluation of candidates for principal officer and deputy chief of mission assignments, including leadership and especially interpersonal skills abilities.

The Assistant Secretary takes pride in the bureau's transparency with its missions. In his meetings with chiefs of mission, he tells them he will take account of their reporting and recommendations. Time permitting, the bureau shares and seeks comments on drafts of memoranda destined for the Department's senior executive offices. While he emphasizes that policy is ultimately made in Washington, he tries to take account of missions' views. In preparing the Bureau Strategic and Resource Plan (BSRP) in 2010, SCA shared copies of the draft with its missions, advised them how their requests had been handled, and took account of their responses to the extent possible.

The Assistant Secretary maintains regular communications with regional chiefs of mission through emails, phone calls, and visits. In addition to having a traditional chiefs of mission meeting in Washington in the fall of 2010, the Assistant Secretary met with many of his ambassadors individually and as a group during the Secretary's Global Chiefs of Mission Conference at the beginning of February 2011. The Assistant Secretary also participated in a series of subregional chiefs of mission meetings in the region during the first half of 2011. During the Global Chiefs of Mission Conference, the OIG team met with all but two of the SCA chiefs of mission, who were appreciative of the communications and support they receive from the Assistant Secretary, his deputies, and bureau staff.

The bureau's effectiveness has been hampered by a shortage of qualified office management specialist and clerical staff. The front office, in particular, has been short-staffed in these positions. This shortage has consequences, since often over-worked desk officers and even DASes must devote time to nonsubstantive matters. Bureau leadership has devoted time and effort to filling the gaps and points to successes, some of which will not be seen for months because of assignment cycle and administrative processing issues. Such delays and day-to-day problems providing coverage contribute to a perception in the bureau that these issues do not receive adequate attention from bureau leadership. The inspection team discussed with bureau leaders the need for better communication in this area.

The bureau receives its administrative support from the combined Executive Office for the Bureaus of Near Eastern Affairs and South and Central Asian Affairs (EX). The previous Assistant Secretary felt the bureau was so underserved by this arrangement that he sought

approval from the Under Secretary for Management to establish a separate executive office for SCA. The request won approval, but the bureau cannot meet the conditions set for implementation. Meanwhile, there is a continuing perception among bureau staff that SCA and its missions, except for Afghanistan and Pakistan, are at the back of the queue whenever management support is needed. However, there is also sober recognition of the enormous urgency and priority of support for the Department's engagements in Afghanistan, Iraq, and Pakistan.

Planning and Transitions

SCA devoted minimal effort to the FY 2012 Mission Strategic and Resource Plan (MSRP) exercise. The bureau conducted no formal MSRP reviews, and the OIG team was unable to discover any record of communications to SCA missions conveying the bureau's thoughts on either the strategic directions or resources requested by missions. (See the section dealing with the Regional Affairs Office for additional details and recommendations.) The FY 2012 BSRP is very similar to the plans of the previous 3 years with the exception of a new goal paper devoted to the strategic partnership with India. That goal paper was suggested by the Assistant Secretary. The BSRP provides very few details on how the region will differ in FY 2012 as a result of the resources being requested.

SCA will face a special challenge in the next several years when the S/SRAP operation may come to an end or possibly transition to a more traditional special envoy office that does not stand alone from the bureau. At that point, the Afghanistan and Pakistan desks will revert to SCA, as will potentially other S/SRAP elements. While the exact timing and form of this transition are not predictable at the time of the inspection, the bureau must begin both to plan and prepare for it.

Currently, the senior S/SRAP deputy is also a DAS in SCA. His coordination and deconfliction function is potentially useful, but after he became the acting special representative following the death of Ambassador Holbrooke in December, senior-level S/SRAP involvement in SCA meetings became more sporadic and less effective. The flow of communication between SCA and S/SRAP is inadequate, as is SCA's awareness of S/SRAP programs and activities in such areas as strategic communications and regional economic issues. (b) (5)

[REDACTED]

Moreover, daily and weekly SCA and S/SRAP staff meetings occur at the same time, which limits SCA's participation.

When the transition takes place, SCA's awareness of S/SRAP programs and activities will be essential for continuity. To meet its responsibilities, SCA – particularly the bureau's DASes and office directors – will need to be aware of and participate in appropriate S/SRAP meetings and events. (See related recommendation in the report of the concurrent inspection of S/SRAP.)

Recommendation 1: The Bureau of South and Central Asian Affairs, in coordination with the Office of the Special Representative for Afghanistan and Pakistan, should increase its awareness of that office's programs and activities through participation in meetings and events organized by the Office of the Special Representative for Afghanistan and Pakistan. (Action: SCA)

Public Diplomacy Leadership and Effectiveness

The public diplomacy DAS, who joined the bureau in September 2010 and filled the position for the first time, had to work out a division of labor between his new position and the existing director of SCA's Office of Press and Public Diplomacy (SCA/PPD). The Assistant Secretary also instructed him as top priority to rebuild confidence in SCA/PPD by addressing leadership problems. The DAS has taken this responsibility seriously. (See report section on SCA/PPD for additional information and recommendations.)

Civil Service Issues

SCA has a small, but generally effective Civil Service cadre. There is a perception among bureau Civil Service staff that SCA's Foreign Service leaders and other staff may not appreciate fully the contributions they make and continuity they bring to the bureau.

Bureau leadership, especially the PDAS, is aware of Civil Service staff perceptions and concerns. The PDAS has met regularly with some Civil Service staff members to discuss enhancing career opportunities in the bureau. Two obstacles to upward career mobility and making a long term commitment to the bureau are its relatively small size and the absence of easily identified positions that might be nominated for Senior Executive Service designation. Nevertheless, bureau leaders want to develop a cadre of Civil and Foreign Service staff who see promise in a career commitment to South Asian affairs and who will want to serve the majority of their professional time in and around the bureau.

A particular problem for Civil Service staff, which is not unique to SCA, is performance evaluations. In the 2009 cycle, SCA had 9 uncompleted appraisals, or 25 percent of the total due. Bureau leadership is aware of SCA's shortcomings in this regard and has given directions to improve performance, and managers appear to be complying: With the exception of the Afghanistan and Pakistan desks, SCA maintains that 100 percent of appraisals are complete for the 2010 cycle. The performance evaluation function is important for employee morale and in administering the Department's personnel system, and it should be given the attention the employees and the Department deserve.

Entry-Level Personnel

The definition of entry-level personnel includes untenured Foreign Service officers and staff. Generally, Foreign Service officers and staff who join SCA have achieved tenure. An exception for SCA is a generous and needed policy of the Bureau of Human Resources to assign a few officers from initial entry-level officer training directly to SCA for about 1 year. Even before the inspection, the bureau had elements of a program for entry-level personnel, including special events, such as brown bag lunches with the Assistant Secretary and other experienced

bureau officers and a separate link on the bureau's intranet site. Entry-level personnel had also been encouraged to create their own program.

A program for entry-level personnel is especially important in a busy bureau such as SCA, where new employees can become frustrated or intimidated. When inspectors brought the need for a formal program to the attention of the SCA front office, they organized a meeting with entry-level Foreign Service and junior Civil Service officers. During the inspection, the OIG team also discussed with bureau leadership the possibility of adopting a broader definition of entry-level personnel, for the purposes of professional development and mentoring. The bureau had already considered and agreed that inclusion of all bureau staff relatively new to the Department, be they Foreign Service, Civil Service, or other, could be effective. During the inspection, the bureau began to experiment with the concept of a mentoring and professional development program for all bureau employees with less than 5 years' experience with the Department.

Recommendation 2: The Bureau of South and Central Asian Affairs should formalize a mentoring program for all bureau employees with fewer than 5 years experience within the Department. (Action: SCA)

Policy and Program Implementation

Office of India, Nepal, Bangladesh, Bhutan, Sri Lanka, and Maldives Affairs

India

For U.S. interests, India counts. With 1.2 billion people, India will, within the foreseeable future, overtake China as the world's most populous country. It has the world's fifth largest economy and at least an 8 percent annual economic growth rate. India's rapidly growing middle class, at 300 million, is about the size of the entire population of the United States. Nuclear-armed India's military power is a growing regional influence, and India has the world's fifth largest navy. India holds more military exercises with the United States than any other country. India is contributing to the development of Afghanistan and is providing foreign assistance to developing nations in Africa.

The last three administrations have expanded and strengthened the strategic partnership between the United States and India, with cooperation on a wide range of issues and problems. As the relationship continues to grow, the workload of the India desk and SCA's front office will also grow.

Bangladesh, Sri Lanka, Nepal, Maldives, and Bhutan

India's neighbors also present opportunities for the United States to advance its global foreign policy goals. Since 2008, every South Asian government in power has won relatively free and fair elections. A parliamentary democracy, Bangladesh is the world's seventh largest country in population and the third largest predominantly Muslim nation. A major recipient of

U.S. foreign assistance, Bangladesh has strongly supported U.S. counterterrorism efforts and cooperates with the United States on a growing array of other issues as well. As Sri Lanka emerges from the 30-year conflict between the government and the terrorist organization Liberation Tigers of Tamil Eelam, the United State remains interested in supporting the country's democratic institutions and traditions, improving human rights conditions, and promoting ethnic reconciliation between Tamils and Sinhalese. Disrupted by a Maoist insurgency since 1996, Nepal has had a long, eventful struggle for democracy, and the United States seeks to help it build a peaceful, prosperous, democratic society with foreign assistance to support economic development, its peace process, and transition to democracy. In its relations with the Maldives, the United States supports the nation's democratic transition and its economic development agenda, and the Maldives have given strong support to U.S. counterterrorism efforts. The United States maintains friendly relations with Bhutan through Embassy New Delhi and focuses on education and democracy.

Understaffing at a Critical Level

Conducting the relations with these countries is the work of the SCA/INSB. In this office, the morale is high, and the spirit of performance prevails. The officers understand that they are working on an important, historic development in U.S. foreign relations. They are pleased with their access to and interaction with the most senior officers in the bureau, who listen to their opinions and take an interest in their career development.

Most officers, however, find that the workload makes it necessary to routinely spend at least 50 and sometimes 60 or even more hours in the office, with additional hours on their personal digital assistant devices at home. Major events in the U.S.-India relationship, particularly high-level meetings that drive the bilateral relationship forward, mean that the work week for many expands far beyond the 50 to 60 hours per week norm. Officers have sometimes stayed at work after midnight. One factor is that the office's workforce is not well balanced in terms of experience. Five of the 10 Foreign Service desk officers are on 4- to 12-month assignments (known as short tours or Y tours), and 4 of them are new to the Department. These new officers have no experience in the Department or in an embassy. They bring intelligence, energy, and commitment to their work and have been successful, despite the lack of experience, because of these attributes and because of the coaching and mentoring from the more senior officers in SCA/INSB. The desk, however, needs to increase the number of officers with more experience.

The insufficient number of permanent positions, particularly at the India desk, causes SCA to rely on Y tours and other non-full-time equivalent employment arrangements, including internships, Presidential Management Fellow rotations, and 3-month contracts. With long hours, these valuable officers have been able to cope with the workload, but with more permanent positions they could raise the average level of experience, produce more and better work products, and perhaps reduce the number of overtime hours.

The relationship with India has expanded rapidly. When the global repositioning exercise was conducted from 2005 to 2007, U. S. embassies in India and other Asian countries gained positions, but SCA did not receive adequate corresponding increases. Increased work in the

embassies has created more work in SCA/INSB, but the Bureau of Human Resources did not authorize new positions for the desk to accommodate this factor. In middle 2009, when a new Assistant Secretary arrived, there were only two officers to conduct the business of the India desk. At the time of the inspection, there were eight officers working full-time on India issues, including two Foreign Service officers on Y tours. The office director spends about three quarters of his time on Indian affairs, and the deputy office director and secretary spend half of their time on Indian affairs. In comparison, the offices for such countries as China and Mongolia, Korea, Haiti, Cuba, Mexico, Afghanistan, and Pakistan have staffs in the range of 15 to 25 employees. The workload for Bangladesh, Sri Lanka, and the Maldives has also increased, particularly since the Department has sought to deepen the U.S. relationship with Bangladesh. Staffing for the entire office for all 6 countries is 13 employees in full-time equivalent positions, 5 Foreign Service officers on Y tours, 3 temporary employees, and 1 part-time employee, for a total of 21.5 employees. The non-full-time equivalent positions are vulnerable to cuts.

Some officers stress that this pace is unsustainable. SCA/INSB has sometimes submitted low priority papers late, because the number of staff is not sufficient to produce and clear the papers on a timely basis. Supervisors spend so much time coaching, mentoring, and teaching the many less experienced employees that some work that would advance clear foreign policy objectives cannot be done.

An appropriate size for an organizational unit within the Department can be determined, in part, from the workload of the office and the importance of the foreign policy priorities it supports. A premise of rightsizing is that the number of employees should be adequate to accomplish the work of the organizational unit. The Department has endorsed a Government Accountability Office definition of rightsizing of overseas operations that applies equally well to the domestic: “Rightsizing [is] aligning the number and location of staff ... with foreign policy priorities and security and other constraints. Rightsizing may result in the addition or reduction of staff, or a change in the mix of staff...”¹ This provision endorses a standard: the number of staff assigned to a position should be aligned “with foreign policy priorities.”

An organization should have a workforce sufficient to manage its business without its employees working hours far beyond the 40 hour work week. The *Foreign Affairs Manual* (3 FAM 2332.3) provides a basic workweek of 40 hours for each full-time employee in a bureau or post for both Foreign Service and Civil Service employees. Although regulations do provide for Foreign Service officers to work hours based on the needs of the service (3 FAM 2335.1 b.), this qualification does not invalidate the prevailing standard applicable to Foreign Service and Civil Service alike. In addition, the workforce of an office should be balanced in terms of a mix of experience appropriate to the responsibilities and workload of the office.

Recommendation 3: The Bureau of South and Central Asian Affairs should request at least three additional positions at the FS-03 level or higher, or the General Schedule-13 level or higher Civil Service equivalent for the Office of India, Nepal, Sri Lanka, Bangladesh, Bhutan, and

¹ 2-FAH-2 H-113 d., (quoting GAO-02-780 Overseas Presence: Framework for Assessing Embassy Staff Levels Can Support Rightsizing Initiative, page 1, July 2002) .

Maldives in its next Bureau Strategic and Resource Plan, with two to be assigned to Indian affairs and one to be assigned to the remaining countries. (Action: SCA)

Office Organization

The India desk is combined with the desks for five other countries, including Bangladesh. Over the last 15 years, the U.S. relationship with India has both expanded and deepened, but no action has been taken to adjust the design of organizational units to accommodate the changed situation. Currently, no single office director is focused entirely on the goal of expanding the relationship with India, despite this goal's priority in U.S. foreign policy. The office director must deal with five other countries, whose relationships with the United States are also complex.

Perhaps the most important criterion for the design of the Department's organizational units is the alignment of organizational units with important organizational goals. 1 FAM 014.7 e. (3) provides: "The level and degree of policy and negotiating responsibility exercised by the organization are important factors in determining the need for an office." The operational responsibility for expanding the relationship with India rests with INSB; the office supports the President, Secretary of State, and the SCA front office in the pursuit of this goal. Generally, it is the practice of the Department of State to provide a separate office for the countries with which the United States has robust, complex relationships. Nations of comparable importance and with important bilateral relationships, such as China (including Mongolia), Russia, Cuba, Canada, Japan, Korea, Mexico, Afghanistan, and Pakistan, have their own offices. The OIG team concluded that the time has come for SCA and the Department to give serious consideration to creating a separate office for India and Bhutan, alongside a separate office for the other four countries in SCA/INSB.

Guidance in 1 FAM 014.7 d. (3) states that an office should have at least 12 employees, and 1 FAM 014.7 d. (2) states that suboffice units should have at least 8 employees, a standard that the current staff allocation could not meet. However, 1 FAM 014.6 b. makes it clear that the Under Secretary for Management may approve exceptions to the specified criteria upon request by the bureau concerned. To ensure logical and consistent implementation of the intended changes, 1 FAM 014.6 c. lists specific offices to consult with during the planning process. The OIG team concluded that SCA can best initiate this potential organizational change by taking these first necessary steps.

Recommendation 4: The Bureau of South and Central Asian Affairs should conduct initial consultations with the entities listed in 1 FAM 014.6 c. with regard to the possibility of establishing separate offices for India and Bhutan Affairs and for Nepal, Sri Lanka, Bangladesh, and Maldives Affairs and determine whether such a change is appropriate and timely. (Action: SCA)

Office of Central Asian Affairs

The Office of Central Asian Affairs (SCA/CEN) is the newest directorate in the still very young bureau. In 1991, when the former Soviet Union ceased to exist, the country desks for the five Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and

Uzbekistan) first remained in the Bureau of European and Eurasian Affairs (EUR). Shortly thereafter, matters relating to policy were handled in the Office of the Special Advisor for the Newly Independent States, under the Secretary. In 2001, that office was abolished, and the newly independent states of the former Soviet Union went back into EUR. In February 2006, the 14 staff members of EUR who covered Central Asia were incorporated into the enlarged and renamed SCA.

Primarily for reasons of office space, the five country desks remained physically in EUR in the suite of the Office of Caucasus Affairs and Regional Conflicts. Although the management of foreign assistance for the five countries has remained in EUR in the Office of the Coordinator of Assistance to Europe and Eurasia (EUR/ACE), it is an arrangement that works and that neither EUR nor SCA wishes to see end. EUR/ACE is treated as an honorary directorate in SCA. EUR/ACE, which controls the congressional foreign assistance appropriations allocated to the Central Asian countries, has demonstrated itself to be responsive and helpful to the SCA front office and to SCA/CEN. Representatives from EUR/ACE attend the SCA daily senior staff meeting and the weekly SCA/CEN staff meeting, and they are a source of valuable counsel to the SCA Assistant Secretary and desk officers alike. EUR/ACE is also a willing partner with SCA on Capitol Hill, where their established relationship with congressional appropriators is an important asset.

Although EUR/ACE functions as an integral part of SCA regarding the management of foreign assistance to the countries of Central Asia, this has not interfered with the integration of SCA/CEN into SCA. SCA/CEN did not physically relocate its offices from EUR to SCA until December 2009. All parties view its integration into SCA as complete and successful, notwithstanding the continuing and welcome relationship with EUR/ACE. SCA/CEN also maintains a close working relationship with EUR's Office of Regional, Political, and Military Affairs, because the Central Asian countries are all members of the Organization for Security and Cooperation in Europe (OSCE).

There is much about the Central Asian countries that is a legacy of their years as part of the former Union of Soviet Socialist Republics. For example, although there are five primary local languages spoken, Russian is a working language. Most Central Asian governments are authoritarian, economies are not fully privatized or open to foreign investment, and human rights do not enjoy the respect such rights enjoy in Western democracies. Nevertheless, the outcome of Kyrgyzstan's 2010 popular uprising has been the establishment of the region's first fledgling democracy. Kyrgyzstan's female president, who was fêted by the Secretary at the Department on International Women's Day in March 2011, sets a new standard for the male-dominated societies of Central Asia. Other positive developments have been Kazakhstan's decision to forsake nuclear weapons.

The U.S. relationship with Central Asia is of growing importance. The Northern Distribution Network via air, rail, and road is an important supply route for the U.S. effort in Afghanistan. (b) (5)

Central Asia has grown in importance as a facilitator of U.S. engagement in Afghanistan and a barrier to the export of violent extremism by the Taliban and al-Qaeda from Afghanistan. SCA's Assistant

Secretary and DAS for Central Asia have worked, with the support of SCA/CEN, to engage with the Central Asian countries. Annual bilateral consultations have been initiated to raise the level and frequency of engagement. SCA/CEN has had to increase its support in terms of analysis, briefing papers, and talking points for congressional testimony. Moreover, in 2010 Kazakhstan chaired the OSCE, of which the Central Asian countries are all members, including a successful summit attended by the Secretary—the first OSCE summit in 10 years. The OSCE chairmanship of Kazakhstan and 2010 uprising in Kyrgyzstan placed a heavy toll on SCA/CEN, which received the temporary assistance of a detailee from the Office of the Coordinator for Reconstruction and Stabilization. SCA/CEN staff has also gone to the region as election monitors.

Although SCA/CEN is relatively small in size and includes entry-level staff, it has strong leadership and has been able to keep up with the increased workload that came with increased engagement and events in the region. One major difficulty in the relationships with the five countries has been the limited leverage of the United States. This shortcoming is due to a low base, in terms of foreign assistance, and the prospect that the tight U.S. fiscal environment may further erode that base, at a time when it is in the U.S. national interest to increase the level of assistance to its Central Asian partners. In FY 2010, total assistance to Central Asia was approximately \$275 million, including a special \$8.8 million contribution for humanitarian assistance in Kyrgyzstan.

Values versus Interests

There is a tension between the need to win Central Asian nations' support on security concerns and, at the same time, to press those same nations on issues of democracy and human rights. For this reason, SCA/CEN at times feels that its relationship with the Bureau of Democracy, Human Rights, and Labor is productive, but more contentious than it would prefer. However, the OIG team found no indication that the SCA front office, SCA/CEN, chiefs of mission, or chargés d'affaires in any way had sacrificed the human rights message in order to achieve greater security cooperation. During the 2011 Global Chiefs of Mission Conference, the OIG team was able to interview four of the five Central Asian chiefs of mission and chargés d'affaires. Also, some annual bilateral consultations were conducted during the inspection. The OIG team observed preparations and found that the messaging was clear and unwavering on human rights, tolerance, and strengthening and institutionalizing democratic reforms, notwithstanding the need to renew or enhance security cooperation, including as it concerns the Northern Distribution Network.

Need for Russian Language Support

Because Russian is a working language in the Central Asian countries, démarches received from the Department often must be translated into both Russian and a local language. Translations for the vernacular languages of Central Asia are available from the Office of Language Services on an as-needed basis, but they are costly and impractical for any time-sensitive démarches. Such assistance is not necessary for most standard démarches. The embassies must shift resources and priorities in order to avoid delay of an important démarche. Posts have complained that staff is diverted from other mission priorities, including public

diplomacy outreach, contact development, travel, and substantive reporting. The alternative is sending a démarche in English and shifting the burden of translation to the host government's Ministry of Foreign Affairs, which delays the response and inconveniences the host government. Moreover, sensitive requests cannot be given to LE staff. Where terrorist finance lists are involved in a démarche, it is also best that Russian-speaking countries use the same spellings of names. When a démarche goes to all diplomatic posts, there is no need for the U.S. embassies in Central Asian capitals to duplicate the translation into Russian done by Embassy Moscow.

Recommendation 5: The Bureau of South and Central Asian Affairs, in coordination with the Bureau of European and Eurasian Affairs, should seek the cooperation of Embassy Moscow in sharing with U.S. embassies in Central Asia its translations into Russian of démarches sent by the Department for the action of all diplomatic posts. (Action: SCA, in coordination with EUR)

Office of Regional Affairs

The Office of Regional Affairs (SCA/RA) consists of an office director, a deputy, two office management specialists, 11 desk officers, one military liaison, one when actually employed (WAE) retiree, one stay-in-school employee, and one intern. Of the 15 Department direct-hire staff, three are Foreign Service, including the office director and one entry-level officer, and 12 are Civil Service, including two Presidential Management Fellows. The office reports to the PDAS.

SCA/RA manages a wide range of crosscutting issues and is the bureau's primary conduit to 13 functional bureaus, approximately 10 other agencies, and a variety of Department special advisors and coordinators. The issues include counterterrorism, counternarcotics, nonproliferation, trafficking in persons, science and technology, energy, regional and cross regional trade, Muslim community outreach, foreign assistance programming, and strategic and budget planning. SCA/RA was consistently cited as a good partner by other Department offices. The office also coordinates SCA input for new initiatives, such as food security, global health, and climate change. In keeping with the call of the Quadrennial Diplomacy and Development Review to embrace a more regional approach to U.S. foreign policy, the office recently initiated a multi-bureau discussion on examining the countries of the Indian Ocean as a potential new regional grouping.

Although the Afghanistan and Pakistan desks are temporarily under S/SRAP, SCA/RA continues to provide a range of support to both, including Leahy vetting, trafficking in persons, and a growing workload to help develop and promote the Northern Distribution Network.

One of the office's core functions is to manage strategic and foreign assistance planning efforts for the bureau. Despite a growing workload, SCA, like the majority of Department bureaus, has neither increased the staff devoted to the task nor attempted to expand training to other staff in the bureau to spread the workload and improve the quality of its planning products. During the FY 2012 planning cycle in FY 2010, due to a combination of the shortened planning period and the lack of prioritization and lack of attention by both office leadership and the front office, no mission in the bureau received a record review of its MSRP. Since the MSRP is the only document all embassies are required to produce that incorporates the chief of mission's

vision for the entire interagency effort in country, it is important that the bureau provide posts with comprehensive record assessments of the effort. SCA/RA should manage the process and assist desks in developing consistent tools based on material located on the Bureau of Resource Management's (RM) MSRP Web page.

Recommendation 6: The Bureau of South and Central Asian Affairs should develop and implement a formal process to provide each mission with an appropriately cleared review of its Mission Strategic and Resource Plan, approved by a deputy assistant secretary. (Action: SCA, in coordination with RM)

Since the addition of Central Asian missions to South Asia, bureau leadership has expressed an interest in expanding relations between the two subregions, which is one of the primary rationales for SCA's requests for increased amounts of bureau-controlled Economic Support Funds (ESF) assistance. In the past 3 years, the SCA regional fund has increased from \$1.1 million to \$7 million, and SCA/RA is the office responsible for managing this funding. The office has used a variety of mechanisms to obligate the money, including issuing grants to public diplomacy officers in its posts, and funding studies by the International Bank for Reconstruction and Development through the Department's Office of Acquisitions Management. The growth of the funding has outstripped the office's efforts to manage the grants after they have been issued. While there have been some important improvements in the past year, the OIG team found a variety of file structures being used. Also, the majority of the files reviewed were not up-to-date, and many copies of emails were missing that would provide important status updates.

Recommendation 7: The Bureau of South and Central Asian Affairs should review its current active grant files and ensure that they use standard Department of State file systems and are up-to-date. (Action: SCA)

On October 20, 2010, the Under Secretary for Management issued a Department-wide policy on program evaluation. None of the SCA staff interviewed by the OIG team were aware of the new policy, but they did read it during the inspection.

Although the new Department policy did not include deadlines for bureau-specific implementation, they are being developed and will build upon previous requirements included in the BSRP. Based on the lead role SCA/RA plays in developing the bureau's strategic plan and implementing the regional ESF fund, the office is the logical home of SCA's assistance evaluation effort. Since regional assistance projects are already being implemented by the U.S. Agency for International Development (USAID) and public diplomacy staff, which are developing their own evaluation policies, there is the possibility that multiple policies could be employed in the evaluation of one \$200,000 program, which could result in a waste of scarce resources.

Recommendation 8: The Bureau of South and Central Asian Affairs should develop a formal evaluation process that complies with the October 20, 2010, program evaluation policy announced by the Under Secretary for Management. (Action: SCA)

Before October 2010, the Department of State did not have a formal policy on program evaluation. Little attention was paid to evaluation beyond the management of programs to verify that the grantee completed programs on time and on budget. There was no need for evaluation expertise/experience. Consequently, none of the staff in SCA/RA has experience or training in evaluation. Without this training, the bureau does not have reliable evidence on the outcomes of its grants.

Recommendation 9: The Bureau of South and Central Asian Affairs should identify positions that will include evaluation oversight in their portfolios and include a formal training schedule as part of each position's development program. (Action: SCA)

Office of Press and Public Diplomacy

SCA/PPD is a large office that has management challenges. Roles were changed with the introduction of a public diplomacy DAS in the front office in September 2010. Only 4 of 20 positions in SCA/PPD are encumbered by Foreign Service officers, in an office with a mix of Foreign Service, Civil Service, WAE retired Foreign Service officers, contractors, a Franklin Fellow, and a Transatlantic Diplomatic Fellow. One employee works under an unusual arrangement in which that person telecommutes from overseas but is never physically present. Most of that employee's duties do not require her presence in the office. Eight staff members are in a situation in which they support S/SRAP and Embassies Kabul and Afghanistan, while located in SCA/PPD, but without being part of the S/SRAP chain of command or feeling fully embraced by SCA or their own home office SCA/PPD. The office does some things well, such as grants management, social media engagement, and assisting posts with the development of country public diplomacy strategies, but it is lacking in other respects regarding generally accepted management practices; these issues are detailed later in this section.

Leadership within the office is at the core of SCA/PPD's problems. It results in a leadership vacuum within the office, partially filled by other staff by default, and is exacerbated by the extraordinary situation of staff who for all intents and purposes work for S/SRAP but have their "home" in SCA. It is also manifested by a loss of confidence in the leadership of SCA/PPD from within and without. One way this shows up is in various work-arounds by stakeholders, including some public affairs officers in the field. For example, the Afghanistan and Pakistan Support Group, which is a part of the Iraq Policy and Operations Group and was added as a contract modification, performs some press office duties for S/SRAP that should be done by SCA/PPD. Although the office director acknowledges there are problems in the office that require corrective action, he believes that other factors beyond his control have exacerbated those problems. The OIG team concurs with that assessment.

Adjusting to a New Organizational Reality

The Under Secretary for Public Diplomacy and Public Affairs created public diplomacy DAS positions in 2010 to ensure that public diplomacy had a seat at the table in bureau front offices. It was also intended to provide a more upwardly mobile career path and an option for public diplomacy cone officers returning to the Department from overseas assignments. It has worked this way in SCA. The public diplomacy DAS is a public diplomacy cone officer. The

reality is that some functions and prestige of the public diplomacy office director had to be ceded in order to carve out a role and space for the public diplomacy DAS. In practice, the DAS and office director in SCA have developed a division of labor that is still a work in progress but is moving in the right direction. Public affairs officers in the field are not confused by the new set-up, and most believe that the change has been positive for them in terms of support from the bureau.

Management Issues and Leadership Style

Some staff members in SCA/PPD are underutilized. (b) (5)

There is one employee who has essentially been permitted to self-manage, and whose position description and work requirements are unrelated to the work being done. The two office management support employees are not cross trained, which has had a negative effect on the office's ability to process travel orders and obtain airline tickets when the individual with that portfolio is unavailable. There are other instances in which normal coordination between office management staff members does not exist. (b) (5)

At the beginning of the inspection, the OIG team found instances of Civil Service performance evaluations that had not been done in 2 years, and some employee evaluation reports for Foreign Service staff were late.

SCA/PPD is seeking a new FS-02 position to coordinate its Afghanistan and Pakistan operations, but the position was not requested or justified in the FY 2012 BSRP. The OIG team believes such a position would be unnecessary, if current staff were better utilized. Adding a position, rather than using current staff resources more effectively, would cost over \$200,000 a year.

A valid and productive arrangement exists with a press officer who telecommutes from Istanbul, Turkey, but does not encumber an office in Consulate General Istanbul. The arrangement has been advantageous, in terms of the time difference, because the employee works during after-hours in Washington, often providing a head start on projects or fulfilling an emergency backstop role. The OIG team suggested that one way to better integrate the employee into the SCA/PPD team, with little additional effort, would be to hold a weekly conference call with the director and the other press officer in the office.

Although a significant portion of SCA/PPD supports S/SRAP, and the working-level relationships between SCA/PPD and S/SRAP are close, there is inadequate engagement with S/SRAP and S/SRAP strategic communicators at the level of the SCA/PPD office director, deputy director, or the public diplomacy DAS. None of these three attend S/SRAP all hands meetings or the S/SRAP strategic communicators' interagency meetings. A relevant S/SRAP meeting conflicts in time with the SCA all hands meeting. (The public diplomacy DAS and SCA/PPD deputy director participate in the weekly calls to the public affairs sections in Embassies Kabul and Islamabad.) One possible reason for this limited engagement is the division of labor, in which all policy work is done by S/SRAP. Nevertheless, the OIG team encouraged SCA to find appropriate vehicles for higher-level public diplomacy engagement with the bureau's counterparts in S/SRAP.

Recommendation 10: The Bureau of South and Central Asian Affairs should address management deficiencies, leadership, (b) (5) in its Office of Press and Public Diplomacy. (Action: SCA)

Support to the Special Representative for Afghanistan and Pakistan and the Missions

Eight members of the SCA/PPD staff work almost exclusively in support of S/SRAP and the missions in Afghanistan and Pakistan. They are the Afghanistan desk officer, Pakistan desk officer, press officer, and five persons in the Afghanistan-Pakistan operations unit. Of the eight staff members, two are Foreign Services officers. The press officer covers for the telecommuting press officer regarding non-Afghanistan or Pakistan work that requires an actual presence in the Department, such as escorting visitors or briefing the Department's press spokesperson. The OIG team does not argue that S/SRAP should be the rater for these employees. However, none of the eight receive evaluation input from S/SRAP, which is a disservice to the staff. Because public diplomacy policy for Afghanistan and Pakistan are the purview of S/SRAP and the Under Secretary for Public Diplomacy and Public Affairs, the SCA/PPD staff supporting S/SRAP generally feel that the bureau management, from the office director level up, is primarily interested in and discusses issues that are unrelated to the work they are doing. Thus, a frequent comment to the OIG team was that some feel left out of or only loosely engaged with SCA.

Recommendation 11: The Bureau of South and Central Asian Affairs should seek evaluative input from the Office of the Special Representative for Afghanistan and Pakistan Affairs to be considered for inclusion in the performance evaluations of Office of Press and Public Diplomacy staff members who work principally in support of the Office of the Special Representative for Afghanistan and Pakistan Affairs. (Action: SCA)

Public Diplomacy Grants Management

SCA/PPD has two parallel operations to manage grants. The largest is a unified operation within the support unit for Afghanistan and Pakistan operations. In FY 2010, that group played a major role in managing \$122 million in obligations in Afghanistan and Pakistan, split between public diplomacy and strategic communications programs. Due to supplemental budget appropriations in late FY 2009 and FY 2010, funding designated solely for public diplomacy in Afghanistan and Pakistan grew exponentially, from about \$1.5 million each at the beginning of FY 2009 to a combined FY 2010 total of \$35 million. FY 2010 obligations included obligations of 2-year money received in the FY 2009 supplemental budget appropriations.

SCA/PPD's Afghanistan-Pakistan operations support unit has worked with Embassy Kabul and Embassy Islamabad not only to obligate that money, but also to conduct due diligence in approving post proposals in excess of \$10,000 and serving as the issuing grant officer for all grant proposals valued at over \$200,000. Oversight is good, but, because the increase in public diplomacy funding was recent, the picture regarding the evaluation of projects and the monitoring of grantee performance is a work in progress, involving interplay between the posts and SCA/PPD. Monitoring by grant officer representatives in the field is good given the circumstances. Grantees submit quarterly reports, and grant officer representatives conduct

regular site visits and meetings with grantees with records kept and accessible at post and in Washington. Reports are reviewed by SCA/PPD and by the grants management officer in the Embassy Kabul public affairs section. A contract has been signed with a professional monitoring and evaluation company to evaluate all media grants in Afghanistan. A request for proposal is open for a similar contract to evaluate all cultural and education grants. A third possible evaluation contract is under discussion for English language grants. Because most of the FY 2010 grant programs were not signed until the summer and fall of 2010, evaluation has not been accomplished at this point.

The other grant management activity in SCA/PPD is more disjointed. A Civil Service employee reviews all grants to the Central Asian countries from the appropriation for Assistance for Europe, Eurasia, and Central Asia; these funds are managed by EUR/ACE in coordination with SCA/CEN. As ancillary duties, a variety of SCA/PPD staff members provide oversight of public diplomacy grant funds to SCA/INSB countries. Also, the employee in the Afghanistan-Pakistan operations support unit becomes involved for any large grants, because she has a grant warrant with a \$10 million limit. All of the grant work in SCA/PPD benefits from the experience of a WAE retiree who is a former Senior Foreign Service officer with expertise in managing public diplomacy funds.

Resource Management

SCA -- U.S. Staff-Domestic ²						
Foreign Service	Civil Service	3161 ³	WAE	Detaillee	Intern/student	Total
34	45	29	7	4	11	130
SCA -- U.S. Staff-Overseas						
Foreign Service	Civil Service in Excursions	3161	WAE	Total		
955	10	92	6	1,063		

FY 2010 Resources Controlled by SCA (in thousands)⁴	<i>Afghanistan & Pakistan Portion</i>	<i>Other</i>	Total
Traditional Overseas Program Funding (D&CP ⁵)	\$54,343	\$90,511	\$144,854
Additional Afghanistan and Pakistan Funding (D&CP)	411,390	7,863	419,253
Public Diplomacy (D&CP)	3,413	17,822	21,235
Economic Support Funds	59,746	17,756	77,502
Other Assistance ⁶	199	4,063	4,262
ICASS	100,375	57,297	157,672
Representation	202	351	553
Other Appropriations ⁷	1,760	9,894	11,654
Total	\$631,428⁸	\$205,557	\$836,985

As shown in Appendix A, USAID- and Department-controlled foreign assistance funding for the region totaled \$6.8 billion in FY 2010, \$6.2 billion of which was for Afghanistan and Pakistan. Department of Defense-controlled foreign assistance funding for Afghanistan and Pakistan totaled an additional \$11.7 billion in FY 2010.

² Domestic and overseas staffing numbers provided by the EX human resources office. Numbers do not include SCA/A or SCA/P, as they are counted as part of S/SRAP.

³ Information provided by 3161 Personnel Office.

⁴ Numbers provided by EX.

⁵ Diplomatic and Consular Programs is abbreviated as D&CP.

⁶ Assistance to Europe, Eurasia, and Central Asia (Pub. L. 123-123§ 1), Freedom Support Act (Pub. L. 101-138), Development Assistance (Foreign Assistance Act of 1961, Pub. L. 87-195, chapters 1 and 10 of Part I).

⁷ Machine Readable Visas Processing Fees, United States Information and Educational Exchange Act, Sec. 810 Fees (22 U.S.C. § 1475e), FSN Separation Liability Trust Fund (Pub. L. 102-138 § 151), Unconditional Gift Funds (22 U.S.C. § 2697).

⁸ About 60 percent of this funding was held and managed domestically in EX.

Executive Office Overview

EX supports two of the busiest regional bureaus within the Department. During this inspection, they were handling ordered departures in Tunisia, Egypt, and Libya, and authorized departures in Yemen, Iraq, Afghanistan, and Pakistan. Several bureaus and offices lauded the EX office managers and staff for their support of overseas missions and good working relationships with other bureaus and agencies. As one person said, “EX is really standing up to the job.”

There are several problems, however, of which the director and deputy directors are well aware but have so far been unable to solve. The domestic HR office is broadly considered to be dysfunctional. The Office of Domestic Services (ODS), which had been neglected for years, has improved during the past 9 months, but problems still remain in information technology (IT). The budget office, which received reasonably good reviews in the OIG survey, had difficulty producing the reports used to monitor funds availability.

EX, which has supported both bureaus since 1992, has three strong deputy directors: one for NEA (except Iraq), another for SCA, and the third for Iraq. The deputy executive director for SCA supports Afghanistan and Pakistan, as well as the rest of the South and Central Asia countries. All three were praised by their staffs. The executive director is a strong management officer known for his innovation and support of regionalization. EX also supports the Pakistan and Afghanistan desks that are part of S/SRAP, and provides support to the Special Envoy for Middle East Peace.

Space, which is an issue throughout the Department, is especially acute in EX. Their offices were in the process of being remodeled during the inspection, which forced them to move to temporary offices scattered throughout three separate buildings. ODS, for instance, was located approximately 20 minutes away by shuttle from the offices it serviced. This space issue is exacerbated by a Department requirement that bureaus maintain control of all excess property until it can be listed as excess and disposed of, a process that can take a month or more. The practical result of this rule is that property has to be stored within bureau office space. In EX, this means that the areas near the front door of the EX suite are stacked with old computers and other equipment. ODS has begun investigating other options for storing this equipment, such as renting shipping containers to be used for storage, but has yet to develop a solution.

EX lacks a formal orientation program for incoming employees; many believe that one is needed. New employee orientation in the bureau is handled informally, consisting mainly of filling out forms in the personnel section and leaving more central matters, such as touring the Department and meeting bureau principals, to each new employee’s office. While a check-in form exists, a number of employees told the OIG team that they never receive a copy. Without a formal orientation program, employees may not have the opportunity to meet office directors, learn about the bureau, learn how to request service from EX, and receive instruction from staff assistants in the bureaus’ front offices on how to prepare documents. A similar problem exists with employee check-out. Although check-out sheets exist, their use is not enforced, and employees have left the bureau without closing travel advances, completing required security debriefs, or having their computer log-ons transferred.

Informal Recommendation 1: The Bureau of South and Central Asian Affairs should implement a centralized orientation program to provide information on the Department of State and all bureau elements, and require each entrant to complete and return a new arrival checklist.

Informal Recommendation 2: The Bureau of South and Central Asian Affairs should require that each departing employee complete and return to the executive office a comprehensive departing employee checklist.

Afghanistan-Pakistan Support

The deputy executive director for SCA is responsible for all missions in South and Central Asia, but spends approximately 80 percent of her time on Afghanistan and Pakistan. The EX staff dedicated solely to Afghanistan and Pakistan has increased from three post management positions in June 2009 to 12 at the time of this inspection, including post management, budget, and Foreign Service assignments. The staff began to focus seriously on the transition in Afghanistan from military to civilian staffing in early 2010, when they began meeting regularly with the EX team involved in the Iraq transition. EX quickly acted on one of the lessons learned from the Iraq transition, and in February 2011 hired an Afghanistan management transition contractor with a background in civilian and military planning. It also has plans for additional staff as the transition deadline of 2014 approaches. The current organizational arrangement works well, mainly due to the efforts of a hard-working and capable deputy executive director and a talented staff.

Staffing Afghanistan and, to a lesser extent Pakistan, is a challenge. The Department began the first of three phases in what is termed a civilian uplift in 2009. This uplift was intended to increase the number of authorized U.S. Government civilians from all agencies under Embassy Kabul chief of mission authority, from 520 in 2009 to 1,186 in 2011, after which growth currently is projected to level off. These numbers are augmented by several hundred temporary duty employees. The Afghanistan and Pakistan desks and SCA/PPD aggressively recruit to fill these positions.

The Department is relying on a blended workforce – a mixture of Foreign Service, traditional Civil Service, excepted Civil Service known as 3161s, contractors, Presidential Management Fellows, interns, and retired diplomats – to staff both the bureau and the missions. Managing this blended workforce is a challenge. The bureau also has a number of entry-level officers, many of whom have little, if any, experience either overseas or in the Department. Faced with a shortage of mid-level officers and having authority to hire new entry-level officers, the Bureau of Human Resources has been forced to fill mid-level positions in Washington with officers on their first or second tours, who require more training and supervision than do experienced veterans. Even this source of stopgap staffing would be lost, if funding cuts force a reduction in the number of new officers hired.

While the number of positions continues to increase, the pool of potential Foreign Service volunteers who have not yet served in Afghanistan, Pakistan, or Iraq continues to shrink. Embassies Kabul and Islamabad have requested that the Department consider increasing the

length of tours from 1 year to 18 months or 2 years. While this would improve continuity, many working with Foreign Service assignments say it would decrease the number of people willing to volunteer to work in these extreme missions.

A number of Civil Service employees have expressed interest in serving in Afghanistan or Pakistan. However, assignment rules allow Civil Service staff to be assigned to Foreign Service positions only if no Foreign Service officer has bid on the position within 2 weeks of its announcement. This can sometimes mean that no one fills the job at all, if the Foreign Service bidder subsequently goes elsewhere after logging the bid. The assignments offices within the bureau and the Bureau of Human Resources have worked to mitigate this problem. As the pool of Foreign Service personnel who have not served in these missions shrinks, it may be necessary to increase the opportunities for Civil Service employees to fill positions there.

EX holds weekly teleconferences with Embassies Kabul and Islamabad, as well as regular and frequent meetings with other Department offices involved in the expansion at these two missions. The EX staff members work well together. EX also works closely with the S/SRAP office on staffing and other management issues. In general, this relationship functions well, with the exception of domestic Civil Service hiring. The Afghanistan desk, for example, spent months attempting to hire office management assistants and to have other positions reclassified and advertised. The process has been extremely time-consuming and, so far, unsuccessful, which has negatively affected the desk's ability to support S/SRAP. The transition coordinator and the EX staff involved in Afghanistan and Pakistan continue to meet regularly with the Iraq EX team as issues or questions arise. They also plan to use the specialized software program used by the Iraq team to manage staffing and planning, and adapt it for the Afghanistan transition.

Regionalization and Management Initiatives

EX is a strong proponent of regionalization and off-shoring activities that can be handled at a distance. While the economies of scale produced by regionalization can save money, regionalization can be especially useful in danger-pay missions, as it can reduce the number of employees in the country. EX management has pushed its missions to use the Post Support Unit in Charleston to process all travel vouchers and has strongly urged them to out-source other voucher processing to the support unit.

The Regional Service Center in Frankfurt is providing LE staff position classifications for Embassies Kabul and Islamabad. Frankfurt also continues to provide support to the central Asian countries that had, at one time, been in EUR. EX is working with EUR to develop a service-level agreement under which Frankfurt would provide LE staff position classification for all NEA and SCA missions. In addition, EX has partnered with the Bureau of East Asian and Pacific Affairs on a regional training center. Under this agreement, the bureaus pay for training based on the number of employees who attend.

EX is working with the Bureau of Information Resource Management (IRM) on regionalizing classified computer network support in order to reduce the amount of classified

equipment kept at high-threat missions. EX is also looking at ways to off-shore data storage for Pakistan and Afghanistan.

Human Resources Division

Domestic Section

The domestic HR section is dysfunctional for several reasons: understaffing, excessive workload, and a lack of adherence by some NEA and SCA managers to prescribed work processes. No one could have projected, when the Foreign Service Institute, Human Resources Division, (FSI/HR) agreed to become NEA and SCA's service provider, that the workload would increase exponentially due to the U.S. diplomatic presence in Iraq and Afghanistan. Human resources have not been reinforced to deal with this surge. Both the management teams at EX and FSI are cognizant of these challenges, but so far they have been unable to make much headway.

Despite the efforts of both FSI/HR and EX/HR, NEA and SCA customers do not receive satisfactory service. Customer complaints were many, the most striking of which involved slow recruitment, which in some cases took over a year, and awards processing. Recruitment problems have been chronic for at least 2 years; awards processing was backlogged for some 5 years. Several factors relating to the poor performance are discussed below.

At the specific request of EX, FSI/HR became the service provider for the bureau in October 2006. In 2008, NEA and SCA detailed its domestic HR specialist staff to FSI, with the intent that they would work and gain experience in a bureau with full delegated authority. While having no impact on the substance of operations, this limited NEA's and SCA's influence in the management chain of command for domestic services. That is, the bureaus' authority over most domestic HR services ceased at the deputy director level. The structure became an obstacle to leveraging FSI/HR's function. The addition of a Foreign Service officer as the HR director in August 2010 has improved the situation somewhat, but much work remains to be done.

The domestic HR section is divided between core and non-core services and reports to the NEA-SCA HR director. Core services are provided mostly by FSI/HR and include position classification, staffing and recruitment, and performance management. Non-core services are provided by the domestic HR section and include employee programs, such as awards and training.

Morale among domestic HR section employees is poor. This is best exemplified by the section's inability to keep qualified personnel. For most of 2009 and 2010, domestic HR had a severe shortage of staff. In early 2011, the staff had almost disappeared. At the time of the inspection, of the 10 HR supervisory and specialist positions embedded from and detailed to the shared services provider, four (including the supervisor) were vacant, and three incumbents (on board for less than a year) were leaving. Of the three remaining, the most tenured was a student on board for 8 months.

The domestic HR section struggles to keep up with unanticipated increases in workload. Prioritization of hiring actions is problematic, since some NEA and SCA managers describe nearly all hiring actions as urgent, and desperately needed positions remain in the queue. Domestic HR staff has not had time for training and reflection on strategic requirements. Staffing and workload factors detract from the EX's efforts to manage both bureaus' performance evaluation programs. (See the Management Controls section for a discussion on performance management.)

Many HR specialists complained of a chaotic working environment created by senior and other managers operating outside the normal chain of command. Many described interactions with NEA and SCA managers as harsh and antagonistic, including efforts to influence the recruitment process. Five domestic HR employees cited this atmosphere and poor morale as factors in seeking other employment. The Management Controls section of the report discusses these issues further.

FSI/HR's oversight and organizational analysis of domestic HR operations has not resolved EX's HR problem. To date, human capital accountability reviews have been limited in scope and have not encompassed the full range of FSI/HR activities. Despite some progress, the domestic HR section is still far from operationally sound.

Recommendation 12: The Bureau of Human Resources should assess the domestic human resources requirements for the Bureau of South and Central Asian Affairs and give the bureau recommendations for its future services. (Action: DGHR)

Recommendation 13: The Bureau of South and Central Asian Affairs, in coordination with the Bureau of Near Eastern Affairs, Bureau of Human Resources, and the Foreign Service Institute, should evaluate domestic human resources service delivery options, select a human resource service provider, and sign a relevant service-level agreement with measurable service standards for all categories of service. (Action: SCA, in coordination with NEA, DGHR, and FSI)

Overseas Division

Foreign Service Assignments

The Foreign Service assignments process in EX is generally working well. The extremely busy office includes eight assignment officers, specialists, and assistants, including the unit chief, to cover 33 missions as well as provide some support to Afghanistan and Pakistan. Two other assignment staff members handle only Afghanistan and Pakistan. There is one vacancy. (A separate EX team handles staffing for Iraq.) This section also works to find temporary positions for evacuees returning to Washington from missions that are on authorized or ordered departure or have been closed. The staff members work well together and have good relationships with the embassies and other offices involved in the assignments process. Staff members were pleased with the supervision and support they receive from EX supervisors.

Afghanistan, Iraq, and Pakistan (AIP) are the Department's highest staffing priorities. To further this goal, the Department now has two assignment seasons: June of each year for

Afghanistan, Pakistan, and Iraq, and early fall for all other positions. This procedure, which allows the AIP missions to choose their candidates before the regular bidding season begins, has meant that a large percentage of AIP positions are filled within a few months. By mid-March 2011, the bureau had filled 92 percent of the summer 2011 Afghanistan positions, 91 percent in Iraq, and 95 percent in Pakistan. However, the slow pace of filling Embassy Kabul's executive office positions – only 13 of 16 positions were filled by mid-March – slowed the recruiting for other Embassy Kabul positions.

Staff working on AIP assignments expressed concern about the shrinking pool of Foreign Service volunteers who have not already served a tour in one of these three missions. While Civil Service employees can volunteer for Afghanistan, Iraq, and Pakistan, Department rules make it difficult to assign them to positions for which Foreign Service officers have applied, even if the Civil Service employee is more qualified. As the number of available Foreign Service officers continues to shrink, being able to take advantage of the Department's talented Civil Service staff will become even more important.

In an attempt to improve continuity, Embassies Kabul and Islamabad have proposed that the tours for those countries be increased from 1 year to 18 months or 2 years. Opinions regarding longer tours were mixed. While they would provide better continuity than the current 1-year tours, many people were concerned that this change would reduce the number of volunteers. Some suggested that front office, section supervisors, and certain other key positions be changed to 2-year tours, while all other tours remain at 1 year. All three posts (including Iraq) have substantial service recognition packages, a 15 percent incentive pay bonus for extending for a second year, and a policy of no-fault curtailment. The Department also recently implemented continuity tours, in which employees spend 1 year in an AIP mission and 1 year in a related position outside of those three countries.

Recruitment for the three AIP missions does not appear to have seriously affected filling positions at the majority of other NEA and SCA missions. However, both bureaus have problems recruiting for non-AIP missions that are considered especially difficult or dangerous, such as Embassies Sana'a or Astana. Employees at non-AIP missions receive neither the recognition nor the hardship differential and danger pay that those working in Afghanistan, Iraq, and Pakistan receive. These staffing problems are exacerbated by a liberal curtailment policy, which allows an employee to curtail from a mission at any time in order to serve in an AIP mission.

The Department has a shortage of office management, information management, and facilities management specialists. Of the 44 overseas vacancies in NEA/SCA, 19 are either office management specialists or specialists in the information management field. There is also a shortage of Foreign Service officers who are fluent (3/3 level) in Urdu, Pashto, and other languages used in these regions. Of the 12 overseas vacancies remaining in SCA as of March 2, 2011, 9 are language designated. This lack of employees comfortable in regional languages is especially problematic in these critical regions.

In order to improve coordination with the field, the HR office has begun holding quarterly conference calls with the overseas HR offices to discuss regional issues. These conference calls generally deal with topics that are of interest to specific missions and provide a

forum for the HR officers to share ideas and information with others dealing with the same issues. These calls have also increased EX/HR's visibility with the field.

Post Management Officers

The post management office works well, despite an extremely heavy workload and the absence of several staff members. The office is divided into three units. The Afghanistan and Pakistan section has six post management officers (PMO) and two PMO assistants. The second section, which handles all countries but Afghanistan and Pakistan, has seven PMOs, one supervisory PMO, and two PMO assistants. Two members of that section were on temporary duty in Afghanistan and Pakistan during this inspection, and one position was vacant, leaving only seven employees to handle 28 NEA and SCA missions. A third and separate EX team handles post management for Iraq and is discussed in a separate OIG inspection report. Once the section is fully staffed, they anticipate that they will be able to adequately handle day-to-day operations. However, the staffing level will provide little opportunity for long-range planning or projects. Nor does the lean staffing provide enough staff to handle evacuations and other time-intensive crises overseas. When these occur, the office runs the risk of smaller missions not receiving the attention they need.

The PMOs provide management liaison between the overseas missions and Department bureaus and offices. The Pakistan and Afghanistan PMOs also interact with other U.S. Government agencies on management-related matters. Along with the EX assignment officers, the PMOs work with evacuees coming out of missions that are on ordered or authorized departure (during the inspection there were two NEA missions on ordered departure and one on authorized departure) and regularly staff the task forces set up to handle crises (there were two NEA task forces during this inspection). While this inspection was taking place, several PMOs were working 12-hour days to staff task forces, respond to issues from the embassies and consulates overseas, and work with the evacuees returning to Washington. A number of PMOs expressed frustration at the lack of standard operating procedures and document templates related to the evacuations and the work they do on behalf of the returning evacuees. Although the Department's Crisis Management Support Office has posted templates on its SharePoint site, these were said to be out-of-date. While the PMOs agreed that each evacuation is different, there are enough similarities to make up-to-date and easily accessible templates and standard operating procedures useful.

Informal Recommendation 3: The Bureau of South and Central Asian Affairs should develop and post on its SharePoint site standard operating procedures and document templates related to the actions required in the event of an evacuation from an overseas mission.

Overseas staff generally expressed satisfaction with the service the PMOs provide, although several mentioned that communication could be improved. This issue appeared to be related, in part, to the changes in PMOs, as well as the staffing shortage within the office.

Awards Program

EX manages the awards program for NEA and SCA, but the actual processing of awards was not being done until recently. EX is in the process of clearing up what has been termed an enormous backlog in unprocessed awards, dating back several years. Instead of processing awards as they arrived, the staff put awards into boxes or desk drawers, to be processed when time permitted. In some cases, awards were never entered in employee personnel folders; in other cases, the award certificates or payments were never provided, or the nominations were never considered by the bureau awards panel. Finally, in spring 2010, HR brought in staff from other bureaus and paid overtime for them to work nights and weekends to eliminate the backlog. When the awards processing was transferred to the shared services office in HR, the staff discovered yet more boxes of unprocessed awards. Between December 2010 and February 2011, the shared services office processed 2,200 overdue awards. They anticipate it will take another 4 to 6 weeks of work to complete this project.

In 2010, NEA missions overseas issued 314 Superior Honor and Meritorious Honor awards, including 80 in Baghdad, according to figures provided by EX. During the same period, SCA missions issued 269 Superior Honor and Meritorious Honor awards, including 66 in Kabul and 32 in Islamabad. All of these were cash awards. The HR office stressed that these figures are incomplete, as they believe some awards are still being processed. These numbers do not include other types of awards that are issued by overseas missions and not tracked by the EX/HR office.

Domestically, NEA processed 136 Civil Service awards and 172 Foreign Service awards in 2010. SCA processed 56 Civil Service awards and 37 Foreign Service awards during the same time frame.

In October 2010, EX issued a policy requiring use of the electronic bureau award program to process overseas and domestic award nominations. The process for award nominations prior to the issuance of this policy was inefficient.

A member of the SCA awards committee, which approves all Superior Honor awards as well as the Distinguished Honor Awards and awards for heroism, said that while a few nominations were rejected or downgraded, the majority were well substantiated and deserved.

Equal Employment Opportunity

The bureau is generally attentive to and supportive of Equal Employment Opportunity matters. However, the OIG team believes EX could be more useful in managing cases as they arise in missions abroad. There are many cases from Iraq and Afghanistan that require collaboration in EX. For example, EX could proactively weigh in on transfer possibilities and offer to participate in alternative dispute resolution remedies. The regional deputy executive directors do not have regular meetings with representatives in the Office of Civil Rights.

Informal Recommendation 4: The Bureau of South and Central Asian Affairs should require regional deputy executive directors to meet quarterly with Office of Civil Rights representatives to develop case strategies.

Excepted Civil Service Hiring

A single personnel and operations office (the 3161 Personnel Office) serves both the Iraq Strategic Partnership Office (ISPO) and Pakistan and Afghanistan Support Office (PASO). This office works well. Created by executive order, ISPO and PASO are temporary offices that allow the Department to hire excepted Civil Service employees to support its efforts in Iraq, Afghanistan, and Pakistan. These temporary employees are hired under U.S. Code Title 5, Section 3161, and are informally called 3161s.

Executive orders created ISPO to facilitate the final stage of Iraq transition and PASO to strengthen governments in Pakistan and Afghanistan. The Secretary appoints the director for each office. The ISPO position had been vacant for several years at the time of this inspection; the PASO director, a 3161 employee, works in S/SRAP. NEA and SCA are stakeholders in both temporary offices. ISPO and PASO 3161 employees are stationed domestically in NEA, the Afghanistan and Pakistan desks, and the 3161 Personnel Office, and overseas in Embassies Baghdad and Kabul.

Although serving two distinct entities and funded with separate allotments, the 3161 Personnel Office is viewed largely as one office. The acting office manager is careful to keep the two entities at arm's length, so as not to commingle assets and funds. This joint office provides synergy and cost savings. The 3161 Personnel Office has three sections: recruiting, employment, and personnel, each led by a senior specialist. All sections do the usual tasks of a traditional federal personnel office, but there is no system for recording employee performance management. This issue is described in the Management Controls section.

The 3161 Personnel Office does not have rights and privileges as a fully delegated HR organization, and thus its actions are approved elsewhere in the Department. Currently, approvals are done by FSI/HR, which also determines salary and authorizes and classifies positions. An operative service-level agreement does not exist defining the relationship between the 3161 Personnel Office and FSI/HR. The 3161 Personnel Office staff told the OIG team that, in their opinion, the turnaround time for all FSI/HR functions is too long, which means that offices in Washington and abroad risk losing candidates.

Recommendation 14: The Bureau of South and Central Asian Affairs, in coordination with the Foreign Service Institute and the Bureau of Human Resources, should negotiate a service-level agreement, including customer service standards, with the chosen domestic human resources service provider. (Action: SCA, in coordination with FSI and DGHR)

Financial Management Office

According to responses to OIG questionnaires, the financial management office provides adequate services to NEA and SCA domestic and overseas offices. The office received good scores for financial management, budgeting, and travel services. The only complaints concerned the transfer of funds inside or outside of the bureau and the timeliness of some travel services

(discussed below). During the course of this inspection, however, the office had great difficulty producing status of funds reports, thus limiting its ability to monitor the status of its funds.

The section, headed by an FS-01 Foreign Service officer and a GS-14 Civil Service deputy, handles a huge amount of funding from many different appropriations and reimbursements. In FY 2010, the office allotted funds and incurred obligations against 29 NEA and 20 SCA appropriations, and incurred liquidations against an additional 90 NEA and 80 SCA appropriations. Although the total amount of funding that the office oversees has not changed over the last 4 years, SCA's share has increased, while NEA's share has decreased. The OIG team was unable to do more than a cursory review of transactions occurring in NEA and SCA appropriations. While most staff have been in the office for many years and are familiar with the allotments and systems for which they are responsible, the office had difficulty at a macro level identifying the status of funding under its control. Problems stemmed from lapses in training, insufficient leadership, and shortcomings with the unwieldy Global Financial Management System (GFMS) data warehouse that the Department uses domestically. The section also needs to clarify its policy on supporting documentation for obligations, ensure that it has the appropriate points of contact for all obligations, obtain clarification on its use of Military Interdepartmental Purchase Request (MIPR), and improve controls over travel.

Bureau Status of Funds Reports

The office had difficulty providing the OIG team with the status of each appropriation and allotment controlled by the bureau.⁹ This limited the inspectors' ability to comment on the bureau's proficiency at managing its funds, budgeting, and monitoring of unliquidated obligations. Monitoring is important to ensure that needed funding is not allowed to expire, to develop budgets, to ensure that transactions with other bureaus and offices are processed correctly, and to ensure that staff within the section are adequately monitoring funds for which they are responsible. A high-level report is particularly important for NEA and SCA given the large number of appropriations and allotments that they deal with.

Following inspectors' request for this information, some office staff did start to develop a spreadsheet with a status of funds by running the following reports:

- GFMS budget query detail reports to determine the status of the overall appropriation,
- Budget Resource Management System reports to determine how much was allotted to each post,
- Regional Financial Management System (RFMS), Consolidated Overseas Accountability Support Toolbox (COAST), reports to determine the status of each overseas allotment, and
- GFMS report to determine the status of the domestic allotments.

The staff has started entering the information into an Excel spreadsheet.

The office estimated that it took 64 hours to create a spreadsheet that ultimately provided the total funding available and unliquidated obligations for all allotments. The spreadsheet did

⁹ For report clarity, OIG uses the term "appropriation" when referring to funds allotted by RM to the bureau and the term "allotment" when referring to funds suballotted by the bureau to its missions or to its domestic suballotments.

not show the amount within each allotment that is obligated or available, so the OIG team was unable to determine the percentage of obligations unliquidated or the amount of funding still available. The spreadsheet also did not show the status of funding at the appropriation level. The office could have produced this information by following the above steps for each appropriation.

This is not the first time the section has struggled to monitor the status of its appropriations and allotments. In 2008, a capable contractor arrived in EX and discovered a \$20 million discrepancy between RM and NEA's Iraq 2006/2007 ESF funding balance. The contractor initiated meetings between EX, the Iraq NEA office, and RM, and the OIG team was told the problem was resolved.

According to the GFMS helpdesk, the best report for this high-level information is a GFMS Data Warehouse called "Modified High Level Budget and Spending Extract." Neither the head of the financial management office nor the deputy was familiar with this report, although one analyst in the section had seen it while working in a previous job. The analyst ran two reports for each bureau, one at the appropriation level and one at the allotment level. The appropriation-level reports for NEA and SCA, respectively, were 30 and 26 pages long, mostly because of seemingly unnecessary headers that the program placed between every appropriation. The allotment-level reports were 1,605 and 1,179 pages long due to unnecessary headers and other columns. It took the analyst 6 hours to run the reports. Although GFMS reports can be modified to make them somewhat easier to run and read, the modified reports are not available automatically, so each analyst has to modify reports at his/her own workstation and analysts need training to learn how to modify the reports.

The difficulty and amount of time needed to obtain this information domestically is in contrast to the capabilities of the RFMS COAST system used by embassies to monitor their overseas allotments. COAST uses a standard menu and drill-down capability that allows users to easily view and print a list of all of its allotments, along with the status of each allotment. The lists do not contain unnecessary headers or columns, are easy to review, and can be generated in seconds with almost no training.

According to an RM representative, GFMS and RFMS are designed to meet different needs,¹⁰ and for that reason, GFMS Data Warehouse provides users with an expansive amount of financial information that can be tailored to meet specific needs, while RFMS COAST provides more of a one-size-fits-all capability. The RM representative said once domestic users invest the time needed to identify requirements and then work with the GFMS helpdesk to build the appropriate reports, the reports can be run more quickly and in a more readable format. RM encourages bureau staff to attend monthly and quarterly GFMS Data Warehouse meetings if they have questions and read software release notes describing improvements.

Given that RM does not have plans in the near term to create a shorter, more readable, capped report to improve bureaus' ability to view the status of its funds, the EX financial management office needs to work with RM to determine the best reports to run and

¹⁰ GFMS contains modules for tracking commitments, fixed assets, billings, and acquisitions and it is connected with 25 other domestic systems while RFMS is a direct allotment accounting system.

modifications to make to get an overview of the status of its funds. Shortly after the inspection, the office started working with GFMS reports to determine the best format. RM informed the OIG team that it would assist the bureau in producing an overview of the status of its funds. The EX director is aware of the accounting systems' deficiencies and noted that the Department's financial management systems rarely yield reports to help guide management decisions. He said the amount of time and work required is in fact a disincentive to requesting some financial analysis.

Informal Recommendation 5: The Bureau of South and Central Asian Affairs should require its relevant financial management staff to collaborate on the best report format for reviewing the status of its funds at a macro level.

Recommendation 15: The Bureau of South and Central Asian Affairs, in coordination with the Bureau of Resource Management, should determine the best reports to run and modify to obtain an overview of the status of its funds, train relevant financial management staff to run these reports, and then run status-of-funds reports at both the appropriation and allotment levels quarterly. (Action: SCA, in coordination with RM)

The office's deputy runs the office's day-to-day operations and does a good job ensuring that funding is checked and obligations processed. The deputy also asks analysts to check up on unliquidated obligations periodically, although it did not appear that these were checked regularly for all appropriations and allotments. Analysts in the section have very different levels of knowledge of the bureau's appropriations and capabilities of the domestic accounting systems. The section chief is not proficient using the domestic accounting systems and often does not check work produced by analysts in the section. Some analysts were unfamiliar with how nontraditional funding, such as ESF and supplemental funding, was processed and reported in GFMS, which limits their ability to back each other up. A few analysts said official GFMS status of obligation reports were not useful, because they either did not include a document description or the document description showed up on multiple lines, increasing the size of the report. However, the office had not contacted RM to determine if this capability existed in a different report or if additional descriptive information could be entered at the time of the obligation, allowing it to display in some capped report. Collaborating on reports needed and used could allow staff to back each other up and work better with other parts of the bureau.

Informal Recommendation 6: The Bureau of South and Central Asian Affairs should develop a list of needed reports, determine what reports each analyst uses, look at the modifications to each of these reports, provide training to the staff, and, if necessary, contact the Bureau of Resource Management for assistance.

Support and Points of Contact for Obligations

The OIG team had difficulty tracking down the office and individual responsible for a few obligations held in domestic allotments. EX maintains a list of contracting officer's representatives for all of its contracts, to ensure the timely approval of those invoices. However, the office does not maintain similar lists for other obligating documents, such as grants and interdepartmental and intragovernmental obligations. Funding for these mechanisms is often

provided up front, but the Department retains responsibility for ensuring the programs are executed.

EX budget officers also do not maintain supporting documentation for all obligations. According to office staff, purchase orders are maintained in GFMS, grants are maintained by program offices, interdepartmental obligations and intragovernmental obligations are maintained by budget analysts for 3 years, and travel orders and vouchers are maintained in E2 Solutions. Some contracting documents are also available in the Department's procurement program, and some grant documents are available in the payment management system. Department guidance does not require bureau budget offices to maintain support for all obligations. However, not all program offices maintain adequate documentation for the obligations and programs for which they are responsible.

Given the amount of support EX provides to Afghanistan, Iraq, and Pakistan, annual staff turnover at those locations, the large amounts of foreign assistance funding received by the bureaus, and the number of interagency and interdepartmental obligations, the office needs to act as a back-up repository for certain obligating documents, including grants and interagency and interdepartmental obligations. To his credit, the executive director has pushed offices to go paperless. Maintaining documentation electronically in a well structured format will provide needed duplication to ensure that program offices are aware of and monitoring the programs and obligations for which they are responsible. It will also reduce required office storage space, and it could reduce the number of inquiries EX receives about obligations. OIG was told, for example, that analysts in the Charleston Financial Services Center often ask EX to provide obligating documents supporting payments processed through the Intragovernmental Payment and Collection program. Storing those obligating documents in a program accessible to the Charleston Financial Services Center, such as GFMS or the Department's domestic procurement program, could eliminate those inquiries.

Recommendation 16: The Bureau of South and Central Asian Affairs should develop a policy that outlines where all obligating documents will be maintained, and how they will be maintained, including the specification that obligating documentation should include the name and office of the appropriate points of contact. (Action: SCA)

Use of Military Interdepartmental Purchase Requests

SCA and NEA often use MIPRs to provide funding to the Department of Defense particularly in Iraq, Afghanistan, and Pakistan. According to 4 FAM 221.1 b., financial management staff in Department bureaus and posts may not allot or transfer funds to other U.S. Government agencies. This includes transferring funds to the Department of Defense via a MIPR. All fund transfers to other agencies must be processed through the Office of the Deputy Assistant Secretary for State Programs, Operations and Budget. However, according to EX staff, the portion of the *Foreign Affairs Manual* dealing with this subject is outdated, and MIPRs are often the only form of payment Department of Defense offices will accept.

A representative from RM's Global Financial Operations Directorate told the OIG team that MIPRs could not be used as obligating documents. Additionally, MIPRs are not included in

the list of commonly used obligating documents in 4 FAH-3 H-52.3. EX staff told the OIG team that memoranda of agreement, memoranda of understanding, or reimbursable agreements always support the MIPRs and serve as the actual obligating documents. The OIG team noted, however, that MIPR numbers are used as obligation numbers; MIPRs do not always refer to the underlying documents; and fund cites and fund availability certifications appear on MIPRs, rather than on the underlying documents. When asked who was responsible for overseeing MIPR obligations, EX staff provided the OIG team with individuals named on the MIPRs. According to 1 FAM 226.2, RM's Financial Policy, Reporting and Analysis Directorate develops and issues Department-wide financial policy.

Recommendation 17: The Bureau of Resource Management, in coordination with the Bureau of South and Central Asian Affairs, should review the circumstances under which the Bureau of South and Central Asian Affairs has used Military Interdepartmental Purchase Requests to obtain Department of Defense services and either reissue guidance on use of Military Interdepartmental Purchase Requests or take steps to correct obligating and payment documents. (Action: RM, in coordination with SCA)

On one MIPR obligation, it was unclear who was responsible for the program and whether the officers signing the obligating documents had authority to do so. SCA provided FY 2009-10 ESF funding to the Department of Defense using a MIPR and a memorandum of agreement to provide humanitarian relief and community stabilization assistance to Pakistani civilians in selected conflict zones. The transaction was executed using 632b Foreign Assistance Act authority. Obligating documentation maintained by the budget analyst showed:

- an individual in SCA's Office of Pakistan Affairs was the "Requiring Activity" on the MIPR;
- the budget officer was the "Authorizing Officer" on the MIPR;
- the Deputy Special Representative for Afghanistan and Pakistan was the "Responsible Official" and signer on the memorandum of agreement; and,
- the Chief of Mission was responsible for supervising and providing overall guidance and ensuring that fund use is consistent with the Foreign Assistance Act according to standard operating procedures.

According to the Federal Assistance Policy Manual, a memorandum of agreement is equivalent to an interagency acquisition agreement and thus represents a contractual agreement between agencies for the acquisition of goods or services. DASes, bureau executive directors or their equivalents, and contracting officers are authorized to execute Economy Act interagency acquisition agreements. The OIG team sent queries to the Office of the Procurement Executive's Federal Assistance Division and RM's Financial Policy, Reporting and Analysis Directorate to determine if the obligation was appropriate and, if so, who was responsible for its oversight. Neither office responded to the OIG team.

Recommendation 18: The Bureau of South and Central Asian Affairs, in coordination with the Bureau of Resource Management and the Office of the Procurement Executive, should determine whether the bureau had authority to incur obligation 1010004101 and take necessary steps either

to report an unauthorized commitment or identify the officer responsible for its oversight.
(Action: SCA, in coordination with RM and A/OPE)

Travel

Bureau staff was generally satisfied with the travel support provided by the EX. Most, but not all, complaints were about staff outside of EX who are responsible for entering information into the online E2 Solutions system. One contractor handles all NEA and SCA travel; in FY 2010, it amounted to more than 1,000 trips. This individual makes sure that all bureau staff are entered into E2 Solutions and GFMS; maintains a log of all individuals' travel by office; makes sure all travel voucher documentation is included in E2 Solutions; periodically contacts individuals who have outstanding travel orders and advances; reviews support for business class tickets; and trains and assists bureau staff who enter information into E2 Solutions. It is a daunting amount of work for one person, especially given that others in the section do not appear fully occupied. In the past, EX had separate analysts for each bureau. The office has not succeeded over the last 9 months to fill the second position.

In prioritizing her work, the contractor focuses first on ensuring that travel orders are completed so people can travel. The travel logs by office also appear to be well maintained. Other tasks, however, have not always been completed. RM recently reviewed travel vouchers and found problems in 6 of the 24 vouchers reviewed. Problems included a lack of supporting documentation, Internet and actual lodging charges without authorization, an improper reimbursement of \$19.46 for children's books, and a 3-month delay in the voucher's approval. The OIG team also noted that travel orders in E2 Solutions and the travel spreadsheet were not regularly reconciled with travel order obligations in GFMS; the bureau does not enforce use of the government-authorized charge card as required in 4 FAM 463.3-2; and travel advances are not closed out in a timely manner. According to a GFMS report, open NEA and SCA travel advances totaled \$96,000 with some dating back to 2007. However, the open travel advance report did not include a 2006 travel advance that RM is researching, which brings into question the report's accuracy. The section reportedly has difficulty matching the travel advances and orders in GFMS with those in E2 Solutions, because officers sometimes submit travel vouchers overseas, and the transactions do not always post directly to the appropriate travel obligation.

Recommendation 19: The Bureau of South and Central Asian Affairs, in coordination with the Bureau of Resource Management, should identify all travel advances open for more than 30 days in both the Global Financial Management system and E2 Solutions, query the individuals, and seek reimbursement, if necessary. (Action: SCA, in coordination with RM)

Informal Recommendation 7: The Bureau of South and Central Asian Affairs should assign select travel responsibilities to other analysts both to cross train the other analysts and to take the burden of all travel responsibilities off the one contractor.

Informal Recommendation 8: The Bureau of South and Central Asian Affairs should enforce use of the government-authorized charge card.

Office of Domestic Services

ODS is comprised of three sections: the General Services Division, the Orientation and In-Processing Division and the Information Services Division. The bureau created and filled a new ODS director position in summer 2010 to better align information services and general services and, in the end, the customers' needs. The ODS director also provides strategic planning and oversight of the Orientation and In-Processing Center as part of a long-term goal to expand the center's support to high-threat posts.

General Services Division

The General Services Division performs satisfactorily, although some customers criticize its performance. Its responsibilities include procurement, space management, equipment maintenance, construction/remodeling, office supplies, mail, visa/passport processing, and control of nonexpendable property. Respondents to the OIG survey identified as problematic the division's responsiveness to procurement requests, office maintenance and upkeep, and the quality and maintenance of furniture and equipment. In addition, several renovation and construction projects have been stalled for unreasonably long periods of time. The deployment of a newly designed and highly effective work order system should help to remedy the situation and improve customer satisfaction. The system is designed to keep the requesting office, the service provider, and the General Services Division staff fully informed of the status of customer requests. This inspection took place as EX offices were being renovated. As a result, some employees were relocated to swing space in annexes or crowded more closely together.

Generally, General Services Division acts as an intermediary between customers and actual Department service providers, such as the Offices of Acquisitions, Real Property Management, and Facilities Management Services. The General Services Division does assist customers more directly in the preparation of procurement requests and renovation/construction scopes of work. Both bureaus' last two annual property certifications disclosed shortages under the 1 percent threshold and thus avoided exception reporting requirements. A recommendation concerning the purchase card program is made in the Management Controls section of this report.

Orientation and In-Processing Center

The Orientation and In-Processing Division assists all U.S. Government employees and contractors under chief of mission authority deploying to Afghanistan, Iraq, and Pakistan. In addition to handling the in-processing of these employees, it also provides off-shore support to reduce the administrative footprint at these high-threat posts. The center performs its mission well. It benefits from an enthusiastic and motivated office director. The director and deputy director operate five teams: two for Afghanistan (one for the Department and one for other agencies), one each for Iraq and Pakistan, and one travel team. Only three people in the division are direct-hires (under 3161 authority): the director, deputy director and a program assistant. The remaining 11 are contract employees.

On paper, the division director and deputy report to the ODS chief and a governance board, made up of EX and S/SRAP senior managers. Under current conditions as 3161 employees, however, they have neither a rater nor a reviewer. Despite this limitation, by all accounts the center is a solid, well appreciated performer. Customer surveys reflect that customers are extremely satisfied.

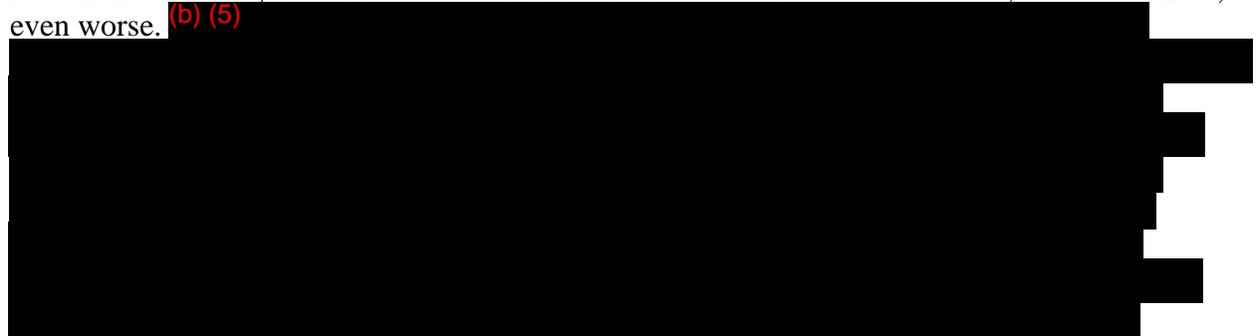
Information Services Division

The EX bureau technology team, with more than 20 years of network and customer institutional knowledge, is operating in crisis management mode supporting customers in NEA, SCA, the Office of the Special Envoy for Middle East Peace, and S/SRAP (Pakistan and Afghanistan desks). Customers, who experience frequent system outages, are reluctant to let go of EX's dynamic support team, since the customers are dissatisfied by the IRM Information Technology (IT) Service Center's slow response. The OIG team determined that the problems cannot be attributed solely to the IRM consolidation program, but also involve antiquated Department infrastructure, which may take years to fix.

In preparation for this inspection, OIG inspectors requested accounts on the unclassified and classified networks and experienced IT issues that were similar to those that customers in NEA and SCA offices face. Recent OIG inspection reports in the Bureaus of East Asian and Pacific Affairs, Western Hemisphere Affairs, European and Eurasian Affairs, and African Affairs have all raised IT consolidation issues. An OIG team recently evaluated the IT consolidation program, and in January 2010 made recommendations regarding technician skill sets, handling of customers' requests, roles and responsibilities, information security management duties, and weak communication within the organization.¹¹ Several of the evaluation report recommendations remain open and are with IRM for compliance. While the issues facing NEA and SCA are the same as in other Department bureaus, in SCA they are compounded by repeated crises during which everyone is dependent on technology for quick communication and reporting.

Customer Service and Support

In OIG questionnaires, several employees mentioned that they stayed late at work only to lose their work to system crashes. The classified network was no different and, in some offices, even worse. (b) (5)



¹¹ Evaluation of the Information Technology Consolidation Project at the Department of State, Report Number AUD/IT-10-11, January 2010.

(b) (5)

Many customers criticized the IT Service Center for not resolving problems quickly, however some customers did not actually call or put in a work order request describing the issue. Under the 2008 IT consolidation, IRM is responsible for certain duties, while EX handles the rest. However, the two sections are still sorting out the responsibilities listed under the IRM service-level agreements with EX. Computer technicians told OIG that the situation is slowly improving.

At first glance, it may be easy to blame DS, IRM, the Office of Facilities Management Services, or EX for system and service deficiencies, but the true culprit is the Department infrastructure. In conversation with EX and IRM, the OIG team learned that the Harry S Truman Building has older, CAT5 cabling that needs to be upgraded to fiber optic, as well as old switches that need to be replaced. An air conditioning system failure also adversely affected computer equipment. To compound the problem, office moves, which often occur with little notification to IRM or EX/IT, affect the equipment, network and, ultimately, the customers. In some cases, an office renovation can affect employees in nearby offices. Renovation and technical projects are abundant throughout the building and will take years to sort out and fix. In order to manage the multitude of issues affecting NEA and SCA, it is important that EX, different sections of IRM and Facilities Maintenance Services meet weekly to sort through the problems and determine responsibility. Relations are good between the teams, who, with the help of IRM Liaison Division, are trying to resolve the multitude of problems.

Informal Recommendation 9: The Bureau of South and Central Asian Affairs should direct the Executive Office to meet weekly with its Bureau of Information Resource Management and the Office of Facilities Management Services counterparts to address customers' issues.

Many IT service technicians receive only on-the-job training and do not have the needed IRM knowledge and capability. The audit report noted above addressed this issue. Fixing this problem will take time, however, and does not provide a solution to what customers need now: working computers. The OIG team visited many offices during the course of the inspection and identified one building, State Annex-1, that rarely experiences network issues and appears to have available space. It may be possible for these computers to be made available to customers when their computers crash. The location is not desirable for those customers located in other buildings, but it is an alternative.

Innovation and Challenges

EX has developed a state-of-the-art, icon-driven knowledge management intranet site that is being replicated by BNET, the Department's internal broadcast television station. At the time of this inspection, the office launched a new telephone bill reconciliation and certification tracking system, to automate a task that would otherwise take one employee the entire month to do. Another feature of the site is a fully automated, paperless travel process that has simplified

what was a complex and time-consuming procedure. The bureau also has automated systems to process, approve, and archive travel requests.

Management Controls

SCA submitted its last annual management controls statement of assurance on September 30, 2010. In the submission, the acting assistant secretary stated that he had, “taken the necessary measures to assure that an evaluation of the systems of management controls of SCA was conducted in accordance with 2 FAM 020.” The memorandum also included a report on significant (control) deficiencies in posts within the bureau, along with corrective action plans. In addition, the statement identified a significant deficiency at the domestic bureau: a lack of staffing for the HR function. HR issues were identified in the inspection and discussed in other sections of the report. The related management control weaknesses and deficiencies in other offices are described below.

Performance Management

Timeliness and completion of Civil Service performance evaluations and work commitments has been an ongoing problem for NEA and SCA. As noted above, SCA had 9 uncompleted evaluations, or 25 percent of the total due, in 2009. Many Civil Service employees complained, and the HR service provider confirmed, that on the whole, the bureau showed inadequate concern for completing this important function. In some cases, supervisors had left the bureau without completing the evaluations for which they were responsible. The performance evaluation function is important for fostering employee morale and administering a personnel system. The OIG team urged bureau management to appeal to those responsible to complete this process. The OIG team also counseled the bureau’s PDAS on the value of an in-house spreadsheet showing the status of annual Civil Service appraisals. Inadequate awareness has meant that reporting requirements for unreported and late Civil Service performance evaluations have not been met (3 FAH-1 H-2825.4).

Recommendation 20: The Bureau of South and Central Asian Affairs should institute and enforce a policy, with sanctions, that supervisors complete employee evaluations according to the timetable set by the Bureau of Human Resources. (Action: SCA)

Recommendation 21: The Bureau of South and Central Asian Affairs should submit a delinquent raters list identifying both delinquent raters and Civil Service employees whose performance evaluation reports are late or have not been prepared. (Action: SCA)

Recruiting Practices

Certain recruitment activities are viewed throughout the domestic HR section as unfair and not transparent. This issue has raised morale concerns in the office. The inspection team found that managers have engaged in potentially questionable personnel practices; specifically, senior managers, selecting officials, and others in NEA and SCA have identified individual applicants for domestic HR office specialist positions and have recommended and encouraged their appointment.

Informal Recommendation 10: The Bureau of South and Central Asian Affairs should counsel senior managers and the executive director regarding appropriate recruiting practices.

Several employees complained of being put in awkward positions. As a result, many in the domestic HR section are suspicious and observe every employment-related development with a sharp eye, taking their energy and focus away from the bureaus' business. Also, prospective candidates may be discouraged to apply for jobs. Moreover, these practices have had a damaging effect on the domestic HR office control environment.

Recommendation 22: The Bureau of South Central Asian Affairs should issue a management instruction on employment policy with emphasis on appropriate manager and selection official practices and merit system principles. (Action: SCA)

Time and Attendance

The OIG team received allegations of time and attendance abuses from a number of offices in the bureau, the most common being that employees come to work late or leave early. Although not working 40 hours per week, some employees are not submitting leave slips. Time and attendance reporting is therefore inaccurate for these employees.

There are several possible causes for time and attendance abuses: lack of adequate oversight by supervisors, employees located in different locations from their supervisors, lack of proper enforcement of established time and attendance procedures, and low morale among some employees. Whatever the reason, this type of management control failure is prohibited. According to 4 FAH-3 H-532.1, employees must work a 40-hour week, and 4 FAH-3 H-524.1 requires that an accurate record of the time an employee works be kept for all employees. Time and attendance abuse creates morale problems for other employees, as they often have to perform extra duties to cover those who are not working the required number of hours.

SCA does not have stringent enough time and attendance reporting procedures. Currently, SCA does not require most employees to submit complete time and attendance forms. The Department's form DS 4151 – Time and Attendance Sheet 2011 provides a good option for documenting each pay period including the pay period number, the dates covered, the specific calendar days in a weekly format, a legend denoting the attendance or leave categories, a signature line for the employee certifying that the submission is correct, and a signature line for the supervisor.

Recommendation 23: The Bureau of South Central Asian Affairs should require the use of a time and attendance form that all employees and their supervisors sign and submit to their time and attendance clerks. (Action: SCA)

Extensions and Performance Management for Temporary Employees

The 3161 Personnel Office does not have a uniform policy for managing requests for extensions and an adequate system of performance management or reference for future employment of 3161 employees. The 2009 inspection report of Embassy Baghdad identified the same issues with respect to ISPO 3161 employees assigned to the mission.¹² The report's recommendations were implemented, but were limited to employees stationed in Iraq. Not having a uniform policy for managing requests for extensions leaves employees uncertain about their eligibility to extend and confuses supervisors who need to decide whether or not to support a request for extension.

Recommendation 24: The Bureau of South Central Asian Affairs should publish a single policy on extension requests that describes the process by which extension requests will be reviewed and approved or denied. (Action: SCA)

The 3161 Personnel Office does not have an adequate system of employee performance management or reference for future employment of 3161 employees. Given that the Department may need such employees in the future, the 3161 Personnel Office should maintain files on past 3161 hires, to develop a "rapid reaction" cadre of staff with a proven record of good performance. Currently, the system for vetting such employees is informal, and recommendations for 3161 employees take place by word of mouth, rather than through a more formal system with adequate documentation. The 3161 Personnel Office should review this documentation (which should include a justification for accepting or rejecting each candidate for a 3161 position) prior to sending forward a list of candidates to a potential hiring official. The future supervisor does not need to see the performance file of an applicant with previous 3161 experience, but the 3161 Personnel Office recruiter should review it before forwarding a candidate's name.

Recommendation 25: The Bureau of South and Central Asian Affairs should develop a written rating system for employees hired temporarily under 3161 authority and assigned outside Iraq to make possible a vetting system for reemployment. (Action: SCA)

Purchase Card Program

The General Services Division manages the bureaus' purchase card program. Bureau purchase card expenses came to \$250,688 in FY 2010. Three employees administer 14 purchase cards. Monthly reconciliations are current. The General Services Division administrative officer reviews the purchase card program annually, but this review is cursory and lacks depth, and the bureau's purchase card program does not comply with Department standards. Without in-depth reviews, the bureau does not have added assurance that its transactions are free from error or misstatement. In a memorandum dated October 1, 2005, to bureau and post program coordinators, the procurement executive required annual reviews to employ a systematic, documented approach that includes testing transactions for a sufficient, representative sample of purchase cards.

¹² Report of Inspection, Embassy Baghdad, Report Number ISP-I-09-30A, dated July 2009

Recommendation 26: The Bureau of South and Central Asian Affairs should perform a purchase card annual review for 2010 transactions, in accordance with guidelines established by the Bureau of Administration, Office of the Procurement Executive. (Action: SCA)

Security

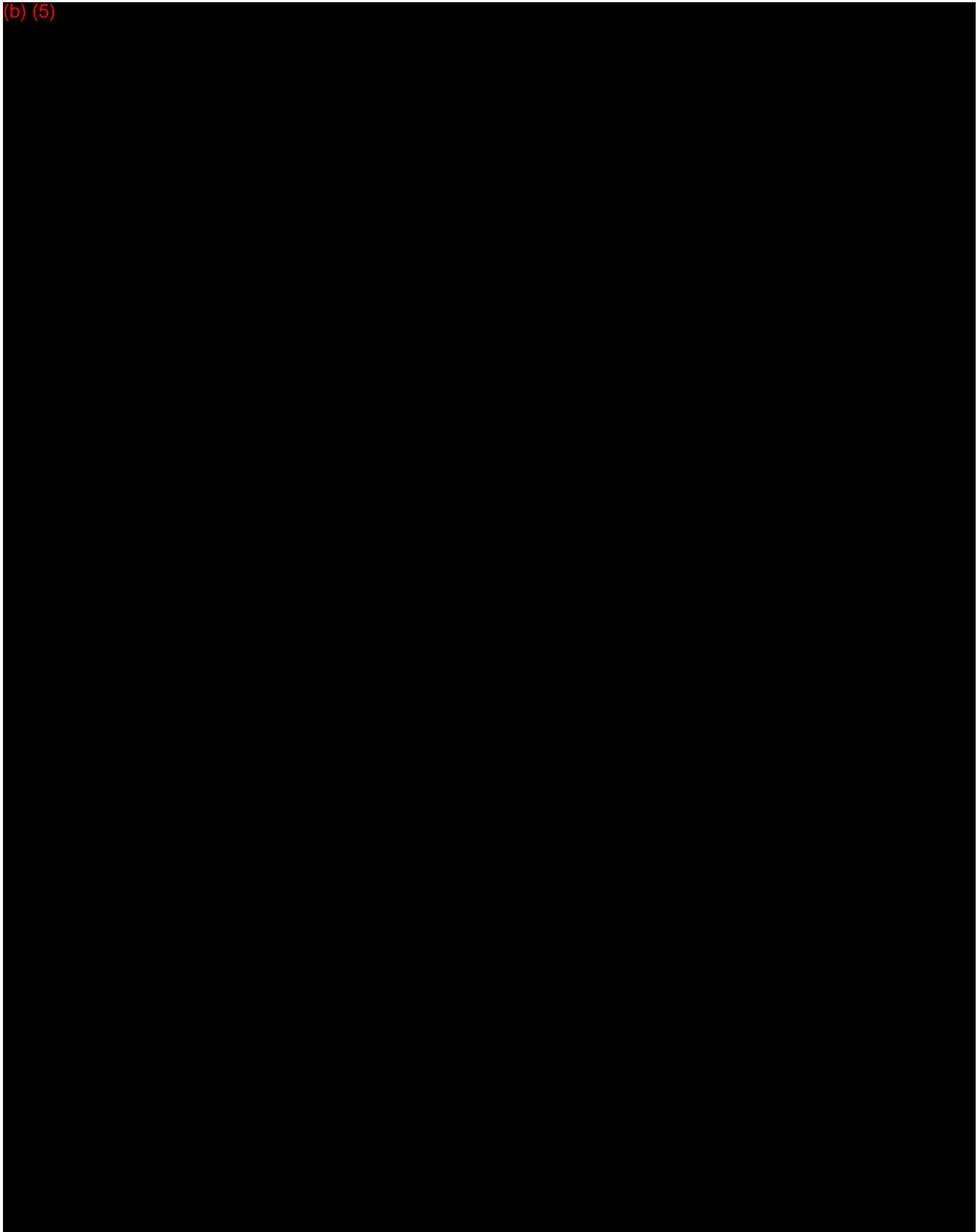
Security Program

One bureau security officer (BSO) manages the security programs for both NEA and SCA. The security programs for both bureaus conform to Department policy, with the exception of the discrepancies discussed below. The BSO takes a proactive approach in implementing the security program. Being responsible for the security of two bureaus is arduous work, but the BSO is experienced and capable of executing the program successfully. The BSO, employed by the DS Program Applications Division, is responsible for developing, inspecting, and advising on procedures and controls for safeguarding classified and administratively controlled information and for enforcing all associated security regulations. As a Civil Service employee, he provides the continuity needed for internal security within NEA and SCA.

(b) (5)



(b) (5)



(b) (5)



Informal Recommendation 13:

(b) (5)



Recommendations

Recommendation 1: The Bureau of South and Central Asian Affairs, in coordination with the Office of the Special Representative for Afghanistan and Pakistan, should increase its awareness of that office's programs and activities through participation in meetings and events organized by the Office of the Special Representative for Afghanistan and Pakistan. (Action: SCA)

Recommendation 2: The Bureau of South and Central Asian Affairs should formalize a mentoring program for all bureau employees with fewer than 5 years experience within the Department. (Action: SCA)

Recommendation 3: The Bureau of South and Central Asian Affairs should request at least three additional positions at the FS-03 level or higher, or the General Schedule-13 level or higher Civil Service equivalent for the Office of India, Nepal, Sri Lanka, Bangladesh, Bhutan, and Maldives in its next Bureau Strategic and Resource Plan, with two to be assigned to Indian affairs and one to be assigned to the remaining countries. (Action: SCA)

Recommendation 4: The Bureau of South and Central Asian Affairs should conduct initial consultations with the entities listed in 1 FAM 014.6 c. with regard to the possibility of establishing separate offices for India and Bhutan Affairs and for Nepal, Sri Lanka, Bangladesh, and Maldives Affairs and determine whether such a change is appropriate and timely. (Action: SCA)

Recommendation 5: The Bureau of South and Central Asian Affairs, in coordination with the Bureau of European and Eurasian Affairs, should seek the cooperation of Embassy Moscow in sharing with U.S. embassies in Central Asia its translations into Russian of démarches sent by the Department for the action of all diplomatic posts. (Action: SCA, in coordination with EUR)

Recommendation 6: The Bureau of South and Central Asian Affairs should develop and implement a formal process to provide each mission with an appropriately cleared review of its Mission Strategic and Resource Plan, approved by a deputy assistant secretary. (Action: SCA, in coordination with RM)

Recommendation 7: The Bureau of South and Central Asian Affairs should review its current active grant files and ensure that they use standard Department of State file systems and are up-to-date. (Action: SCA)

Recommendation 8: The Bureau of South and Central Asian Affairs should develop a formal evaluation process that complies with the October 20, 2010, program evaluation policy announced by the Under Secretary for Management. (Action: SCA)

Recommendation 9: The Bureau of South and Central Asian Affairs should identify positions that will include evaluation oversight in their portfolios and include a formal training schedule as part of each position's development program. (Action: SCA)

Recommendation 10: The Bureau of South and Central Asian Affairs should address management deficiencies, leadership, (b) (5) in its Office of Press and Public Diplomacy. (Action: SCA)

Recommendation 11: The Bureau of South and Central Asian Affairs should seek evaluative input from the Office of the Special Representative for Afghanistan and Pakistan Affairs to be considered for inclusion in the performance evaluations of Office of Press and Public Diplomacy staff members who work principally in support of the Office of the Special Representative for Afghanistan and Pakistan Affairs. (Action: SCA)

Recommendation 12: The Bureau of Human Resources should assess the domestic human resources requirements for the Bureau of South and Central Asian Affairs and give the bureau recommendations for its future services. (Action: DGHR)

Recommendation 13: The Bureau of South and Central Asian Affairs, in coordination with the Bureau of Near Eastern Affairs, Bureau of Human Resources, and the Foreign Service Institute, should evaluate domestic human resources service delivery options, select a human resource service provider, and sign a relevant service-level agreement with measurable service standards for all categories of service. (Action: SCA, in coordination with NEA, DGHR, and FSI)

Recommendation 14: The Bureau of South and Central Asian Affairs, in coordination with the Foreign Service Institute and the Bureau of Human Resources, should negotiate a service-level agreement, including customer service standards, with the chosen domestic human resources service provider. (Action: SCA, in coordination with FSI and DGHR)

Recommendation 15: The Bureau of South and Central Asian Affairs, in coordination with the Bureau of Resource Management, should determine the best reports to run and modify to obtain an overview of the status of its funds, train relevant financial management staff to run these reports, and then run status-of-funds reports at both the appropriation and allotment levels quarterly. (Action: SCA, in coordination with RM)

Recommendation 16: The Bureau of South and Central Asian Affairs should develop a policy that outlines where all obligating documents will be maintained, and how they will be maintained, including the specification that obligating documentation should include the name and office of the appropriate points of contact. (Action: SCA)

Recommendation 17: The Bureau of Resource Management, in coordination with the Bureau of South and Central Asian Affairs, should review the circumstances under which the Bureau of South and Central Asian Affairs has used Military Interdepartmental Purchase Requests to obtain Department of Defense services and either reissue guidance on use of Military Interdepartmental Purchase Requests or take steps to correct obligating and payment documents. (Action: RM, in coordination with SCA)

Recommendation 18: The Bureau of South and Central Asian Affairs, in coordination with the Bureau of Resource Management and the Office of the Procurement Executive, should determine whether the bureau had authority to incur obligation 1010004101 and take necessary steps either

to report an unauthorized commitment or identify the officer responsible for its oversight.
(Action: SCA, in coordination with RM and A/OPE)

Recommendation 19: The Bureau of South and Central Asian Affairs, in coordination with the Bureau of Resource Management, should identify all travel advances open for more than 30 days in both the Global Financial Management system and E2 Solutions, query the individuals, and seek reimbursement, if necessary. (Action: SCA, in coordination with RM)

Recommendation 20: The Bureau of South and Central Asian Affairs should institute and enforce a policy, with sanctions, that supervisors complete employee evaluations according to the timetable set by the Bureau of Human Resources. (Action: SCA)

Recommendation 21: The Bureau of South and Central Asian Affairs should submit a delinquent raters list identifying both delinquent raters and Civil Service employees whose performance evaluation reports are late or have not been prepared. (Action: SCA)

Recommendation 22: The Bureau of South Central Asian Affairs should issue a management instruction on employment policy with emphasis on appropriate manager and selection official practices and merit system principles. (Action: SCA)

Recommendation 23: The Bureau of South Central Asian Affairs should require the use of a time and attendance form that all employees and their supervisors sign and submit to their time and attendance clerks. (Action: SCA)

Recommendation 24: The Bureau of South Central Asian Affairs should publish a single policy on extension requests that describes the process by which extension requests will be reviewed and approved or denied. (Action: SCA)

Recommendation 25: The Bureau of South and Central Asian Affairs should develop a written rating system for employees hired temporarily under 3161 authority and assigned outside Iraq to make possible a vetting system for reemployment. (Action: SCA)

Recommendation 26: The Bureau of South and Central Asian Affairs should perform a purchase card annual review for 2010 transactions, in accordance with guidelines established by the Bureau of Administration, Office of the Procurement Executive. (Action: SCA)

Informal Recommendations

Informal recommendations cover operational matters not requiring action by organizations outside the inspected unit and/or the parent regional bureau. Informal recommendations will not be subject to the OIG compliance process. However, any subsequent OIG inspection or on-site compliance review will assess the mission's progress in implementing the informal recommendations.

Informal Recommendation 1: The Bureau of South and Central Asian Affairs should implement a centralized orientation program to provide information on the Department of State and all bureau elements, and require each entrant to complete and return a new arrival checklist.

Informal Recommendation 2: The Bureau of South and Central Asian Affairs should require that each departing employee complete and return to the executive office a comprehensive departing employee checklist.

Informal Recommendation 3: The Bureau of South and Central Asian Affairs should develop and post on its SharePoint site standard operating procedures and document templates related to the actions required in the event of an evacuation from an overseas mission.

Informal Recommendation 4: The Bureau of South and Central Asian Affairs should require regional deputy executive directors to meet quarterly with Office of Civil Rights representatives to develop case strategies.

Informal Recommendation 5: The Bureau of South and Central Asian Affairs should require its relevant financial management staff to collaborate on the best report format for reviewing the status of its funds at a macro level.

Informal Recommendation 6: The Bureau of South and Central Asian Affairs should develop a list of needed reports, determine what reports each analyst uses, look at the modifications to each of these reports, provide training to the staff, and, if necessary, contact the Bureau of Resource Management for assistance.

Informal Recommendation 7: The Bureau of South and Central Asian Affairs should assign select travel responsibilities to other analysts both to cross train the other analysts and to take the burden of all travel responsibilities off the one contractor.

Informal Recommendation 8: The Bureau of South and Central Asian Affairs should enforce use of the government-authorized charge card.

Informal Recommendation 9: The Bureau of South and Central Asian Affairs should direct the Executive Office to meet weekly with the Bureau of Information Resource Management and Facilities Maintenance Services counterparts to address customers' issues.

Informal Recommendation 10: The Bureau of South and Central Asian Affairs should counsel senior managers and the executive director regarding appropriate recruiting practices.

Informal Recommendation 11: (b) (5) [Redacted]

Informal Recommendation 12: (b) (5) [Redacted]

Informal Recommendation 13: (b) (5) [Redacted]

Principal Officials

Executive Office

Assistant Secretary	Robert O. Blake, Jr.	June 2009
Principal Deputy Assistant Secretary	Geoffrey Pyatt	May 2010
Deputy Assistant Secretary	Susan Elliott	September 2010
Deputy Assistant Secretary	James Moore	September 2010
Deputy Assistant Secretary	Alyssa Ayres	August 2010
Deputy Assistant Secretary	Frank Ruggiero	November 2010

Office Directors

EX Jay Anania	August 2009	
SCA/CEN	John Underiner	September 2010
SCA/INSB	Atul Keshap	May 2010
SCA/PPD	Gregg Sullivan	August 2006
SCA/RA	David Keegan	September 2009

Acronyms

AIP	Afghanistan, Iraq, and Pakistan
BBG	Broadcasting Board of Governors
BSO	Bureau security officer
BSRP	Bureau Strategic and Resource Plan
COAST	Consolidated Overseas Accountability Support Toolbox
D&CP	Diplomatic and Consular Programs
DAS	Deputy assistant secretary
ESF	Economic Support Funds
EUR	Bureau of European and Eurasian Affairs
EUR/ACE	Office of the Coordinator of Assistance to Europe and Eurasia
EX	Executive Office for the Bureau of Near Eastern Affairs and the Bureau of South and Central Asian Affairs
FAH	Foreign Affairs Handbook
FSI/HR	Foreign Service Institute, Human Resources Division
GFMS	Global Financial Management System
HR	Human resources
IRM	Bureau of Information Resource Management
ISPO	Iraq Strategic Partnership Office
IT	Information technology
LE	Locally employed
MIPR	Military Interdepartmental Purchase Request
MSRP	Mission Strategic and Resource Plan
NEA	Bureau of Near Eastern Affairs
ODS	Office of Domestic Services
OIG	Office of Inspector General
OSCE	Organization for Security and Cooperation in Europe
PASO	Pakistan and Afghanistan Support Office
PDAS	Principal deputy assistant secretary
PMO	Post management officer
RFMS	Regional Financial Management System
RM	Bureau of Resource Management
S/SRAP	Office of the Special Representative for Afghanistan and Pakistan
SCA	Bureau of South and Central Asian Affairs
SCA/CEN	Office of Central Asian Affairs
SCA/INSB	Office of India, Nepal, Sri Lanka, Bangladesh, Bhutan, and Maldives Affairs
SCA/PPD	Office of Press and Public Diplomacy
SCA/RA	Office of Regional Affairs
USAID	U.S. Agency for International Development
USO	Unit security officer
WAE	When actually employed

Appendix A: Summary of Foreign Assistance Funding Allocation

FY 2010 State, USAID, and Department of Defense Controlled Foreign Assistance Resources for the SCA Region (in thousands) ¹³	<i>Afghanistan & Pakistan Portion</i>	<i>Other</i>	Total
Economic Support Funds	\$4,890,000	\$34,000	\$4,924,000
International Narcotics Control and Law Enforcement	790,000	4,050	794,050
Foreign Military Financing	298,000	13,300	311,300
Global Health and Child Survival	122,049	187,914	309,963
Assistance for Europe, Eurasia and Central Asia		130,650	130,650
Development Assistance		112,788	112,788
Nonproliferation, Antiterrorism, Demining and Related Programs	79,905	17,490	97,395
Food For Peace Title II	15,500	46,000	61,500
International Military Education and Training	6,500	6,980	13,480
State and USAID Total	\$6,201,954	\$553,172	\$6,755,126
Department of Defense	11,672,800	N/A ¹⁴	N/A
State, USAID and Department of Defense Total	\$17,874,754	N/A	N/A

¹³State and USAID numbers were taken from SCA's FY 2012 Bureau Strategic and Resource Plan. Department of Defense numbers were provided by the Office of the Director of Foreign Assistance.

¹⁴ Other agency numbers were not available.

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