

**Office of Audits**  
**FY 2012 Performance Plan**



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

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## Message From the Assistant Inspector General for Audits

I am pleased to present the Office of Audits performance plan for fiscal year (FY) 2012. Since the development of our last strategic plan, the Office of Audits has reorganized to welcome the addition of the Middle East Region Operations (MERO) Directorate and to better align our oversight efforts with the Department's growing global mission and strategic priorities. This strategic performance plan sets forth our pathway to promote positive change, maximize efficiency and value in our work, and lead by example in creating a model organization within the Office of Inspector General (OIG) and the Department of State (Department). It further provides the means and strategies by which we will achieve these priorities and the standards by which we will measure our success. This is an evolving document, which will be updated as necessary to ensure that our work remains relevant, timely, and responsive to global developments and the priorities of the foreign affairs community. I want to express my gratitude to all the staff who have assisted in the development of this plan and my profound appreciation to those who will implement it.

**Evelyn R. Klemstine, Assistant Inspector General, June 2011**

### *Introduction*

The Office of Audits has a leading role in helping the Department, the Broadcasting Board of Governors (BBG), and the United States International Boundary and Water Commission (IBWC), improve management; strengthen integrity and accountability; and ensure the most efficient, effective, and economical use of resources. Our activities are global in scope, supporting the highest priorities of the Department. Our oversight extends to the Department's and BBG's 70,000+ employees and more than 275 missions and other facilities worldwide, funded through a combined annual appropriation of more than \$18 billion. We remain at the forefront of efforts to identify potential savings and cost efficiencies for the Department and BBG, and we strive to provide timely, relevant, and useful feedback on the progress of their programs and initiatives. Our mandate includes the traditional areas of emphasis for the Department and BBG – including diplomatic and consular affairs, security, international broadcasting, administrative and financial management, and information technology – as well as new initiatives and priorities.

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

## *Our Mission, Vision, and Core Values*

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

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

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

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

## *Our Statutory Responsibilities*

The 1978 Inspector General Act, the 1980 Foreign Service Act, and the 1998 Foreign Affairs Reform and Restructuring Act charge the OIG with oversight responsibility for the Department of State and the Broadcasting Board of Governors. These responsibilities include detecting and preventing waste, fraud, and mismanagement and assessing whether U.S. foreign policy goals are being achieved, resources are used to maximum efficiency, and all elements of U.S. overseas missions are coordinated. We are also responsible for evaluating compliance with other legislation – such as the Chief Financial Officers Act, the Federal Managers’ Financial Integrity Act, and the Federal Information Security Management Act – designed to enhance management performance.

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

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

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

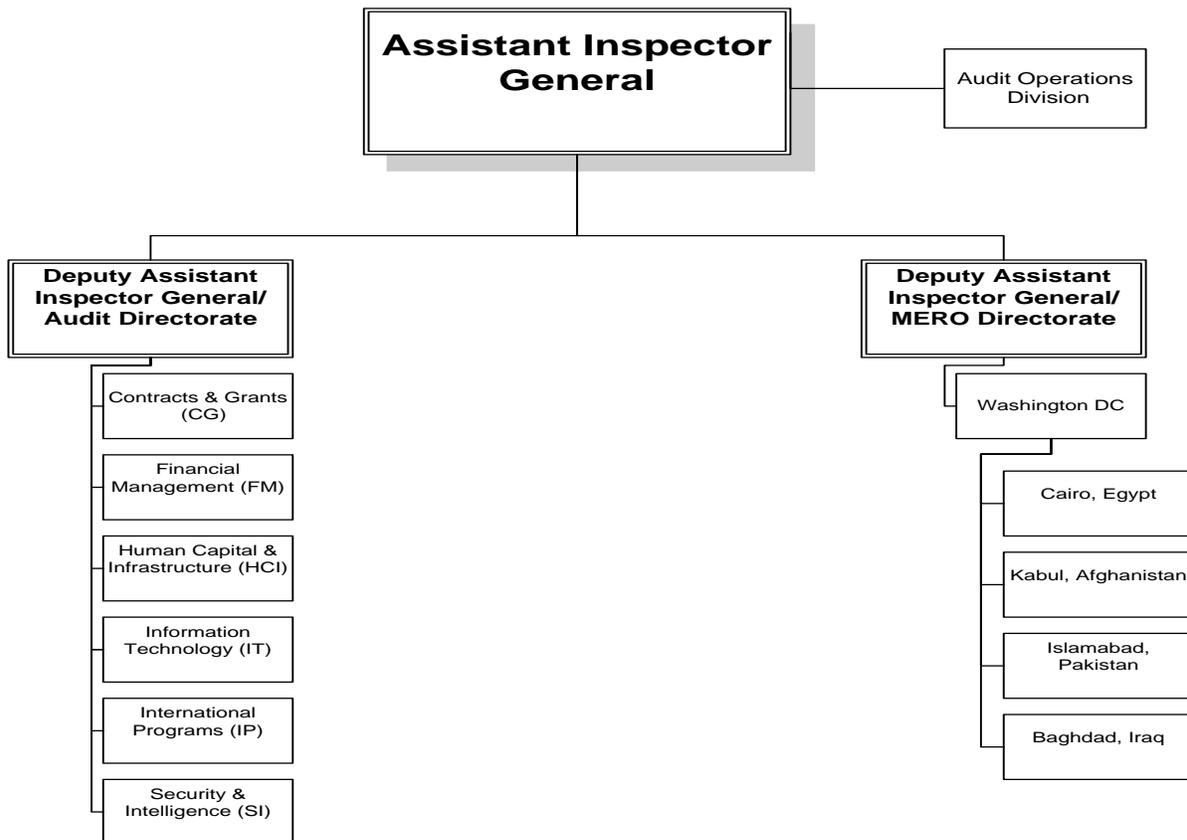
## *Our Organization*

The Office of Audits consists of two Directorates and an audit operations division. The Deputy Assistant Inspector General for Audits is responsible for the Audits Directorate, charged with conducting audits and program evaluations of the management and financial operations of the Department and BBG, including their audited financial statements, information security, internal operations, and external activities funded by the Department through contracts or financial assistance. The Deputy Assistant Inspector General for the MERO Directorate is responsible for performing engagements within the Middle East Region covering the Bureaus of Near Eastern Affairs (NEA) and South and Central Asian Affairs (SCA), in addition to the general operation of our overseas offices located in Cairo, Egypt; Kabul, Afghanistan; Islamabad, Pakistan; and Baghdad, Iraq. The MERO Directorate is also responsible for coordinating our oversight

efforts with the Southwest Asia Planning Group (SWA-JPG) and the Afghanistan and Pakistan (AF-PAK) subgroup.

The Audit Operations Division reports directly to the Assistant Inspector General for Audits and is responsible for our quality control operations; coordinating, tracking and reporting compliance with the recommendations we have offered; performing workforce planning and analysis; developing and managing our budget; and recruiting, training, and retaining qualified auditors and analysts.

# Office of Audits



## *Our Stakeholders*

Our products are directed to and used by a wide range of public and private sector entities to include the Congress; the Secretary of State and other Department officials, managers, and staff; the Board of BBG and BBG management and staff; the Council of

Inspectors General on Integrity and Efficiency; other U.S. Government agencies; and members of the general public – especially the U.S. taxpayer. We continually seek input from our stakeholders in planning our work to accommodate special requests received outside of the planning process, and we welcome feedback on our products, processes, and services.

### *Our General Means and Strategies*

The fundamental means for the Office of Audits to achieve its strategic and performance goals will be the audits and program evaluations we perform and direct. In addition to fulfilling mandatory requirements and responding to requests, we strive to react to the priorities and demands of the foreign affairs community and proactively review new programs and potential problem areas identified in the course of our work. We direct the work of select Certified Public Accounting firms to augment our oversight efforts within the Department and BBG. We work closely with our colleagues in the Offices of Inspections and Investigations to build expert knowledge of the Department's operations; share information to deter, detect, and prosecute fraud; and develop strategies that advance our oversight mission. We will continue to review and, as appropriate, revise our processes and methodologies to get the most value from our resources, better serve our customers and other interested parties, and ensure the achievement of our strategic and performance goals.

In addition, we will continue to pursue authorization for the personnel authorities and financial incentives needed to recruit the staff and skill sets needed to fulfill our work assignments throughout the world, as well as promote professional development of our staff with a variety of educational and career development opportunities to include both formal training at high quality institutions and on-the-job experiences internally.

Finally, we will focus discretionary audits and evaluations on high priority areas to help decision makers within the Department, BBG, and the Congress manage scarce financial resources. In planning our audits and evaluations, we will target high-cost programs, key management challenges, and vital operations to provide Department and BBG managers with information that will assist them in making operational decisions. Our FY 2012 plan recognizes the Department's High Priority Performance Goals to include Global Security, Global Health, Climate Change, Management-Building-Civilian Capacity, and Overseas Contingency Operations in the front-line states of Iraq, Afghanistan, and Pakistan.

## *Our Strategic Goals, Strategies, and Performance Indicators*

### **Goal One: Positive Change**

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

#### **Strategies**

- Ensure audits and evaluations address issues of concern to our stakeholders, and periodically reassess areas of emphasis to reflect changing priorities of the Administration, Congress, the Department, and BBG.
- Utilize an informed risk management approach to identify mission-critical systems and operations, major management challenges, potential vulnerabilities, and priority areas for evaluation.
- Through our audits, evaluations, and compliance followup reviews, assess Department and BBG progress in correcting identified management control weaknesses.
- Identify systemic issues and best practices found in the course of individual audits and evaluations, and recommend global solutions to strengthen Department and BBG management and programs.
- Deploy integrated, multifunctional teams of auditors, evaluators, information technology specialists, and security professionals to leverage OIG resources in addressing high priority work.

#### **Performance Indicators**

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

Recommendations are the primary outputs of our audits and program evaluations, and they serve as the vehicle for correcting vulnerabilities and realizing positive change in the Department and BBG. Resolution of recommendations reflects management's willingness to take the actions we recommended to correct identified problems and improve programs and operations. The percentage of recommendations resolved within nine months for audits and evaluations indicates to what extent management has agreed to take timely action to correct identified problems in line with our recommendations or has identified acceptable alternatives that are expected to result in improved programs and operations. **Our FY 2012 target is 86 percent.**

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

Our audits and program evaluations assess Department and BBG efforts to achieve results-oriented management, identify major management challenges, and recommend improvements. The percentage of our work related to agency management challenges demonstrates the degree to which we are focused on improving the areas of greatest vulnerability in agency operations. **Our FY 2012 target is 96 percent.**

### **Goal Two: Efficiency and Value**

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

#### **Strategies**

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

#### **Performance Indicator**

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

Our audits and evaluations result in potential and actual cost savings and efficiencies to the Department and BBG. Monetary benefits from our work result in more effective and efficient use of U.S. taxpayer dollars and are a primary mandate of the Office of Audits. **Our FY 2012 target is \$16 million.**

### **Goal Three: People**

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

### **Strategies**

- Focus recruitment efforts on requisite skill sets and individuals who possess the knowledge, skills, and abilities to masterfully perform audits and evaluations.
- Encourage all employees to complete Individual Development Plans, ensure that all employees fulfill mandatory training requirements, and support employees in their pursuit of developmental training.
- Encourage and support employees' efforts to achieve appropriate professional certifications, such as the designation of Certified Public Accountant, Certified Internal Auditor, and Certified Information Systems Auditor.
- Provide the support structure and technological tools and equipment that will assist employees in producing quality and timely products.

### **Performance Indicator**

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

Office of Audits products and services are possible only through its people. Our success is predicated on attracting and retaining highly qualified employees with functional and/or subject-matter expertise in auditing, program evaluation, foreign policy, information technology, security, and public diplomacy. Employee retention is measured in terms of annual attrition of Civil Service employees. Since FY 2010, the Office of Audits has successfully recruited and hired 15 employees to fill vacant positions. Our goal in FY 2012 is to fill all of our authorized positions, which will further enable us to complete global assessments of high-cost, strategically significant Department and BBG programs and management challenges; emerging initiatives, priorities; and areas of Congressional interest.

## *Our Methodology for Investing Resources*

The methodology we use to guide the investment of our resources is predicated on the performance goals and strategies noted above and four additional factors: (1) Congressional and executive **mandated audits**, (2) the Department's **High Priority Performance Goals** and management challenges for FY 2012, (3) dedicated **funding levels** and **potential risks**, and (4) **holistic audit attention** to all bureaus and offices charged with advancing the Department's and BBG's mission.

### **Mandated Assignments**

The Office of Audits currently has 15 Congressional and executive mandated assignments. These assignments are generally conducted annually, and many relate to financial management and information technology security requirements stemming from the Government Management Reform Act (GMRA) and the Federal Information Security Management Act (FISMA). A listing of mandatory assignments and the division responsible for conducting them follows:

1. Financial Statement Audit of the Department of State [Financial Management Division]
2. Financial Statement Audit of the Broadcasting Board of Governors [Financial Management Division]
3. Financial Statement Audit of the Foreign Service Retirement and Disability Fund [Financial Management Division]
4. Financial Statement Audit of the International Boundary and Water Commission [Financial Management Division]
5. Financial Statement Audit of the International Cooperative Administrative Support Services [Financial Management Division]
6. FISMA Evaluation of the Department of State's Information Security Program [Information Technology Division]
7. FISMA Evaluation of the Broadcasting Board of Governors Information Security Program [Information Technology Division]
8. FISMA Evaluation of the Intelligence Community's Information Security Program [Information Technology Division]
9. Annual Attestation of the Department of State Bureau of International Narcotics and Law Enforcement Affairs Drug Control Funds and Related Performance Report [Financial Management Division]
10. Performance Reports for the Office of National Drug Control Policy (ONDCP) [Financial Management Division]
11. OMB Circular A-133 Quality Control Review of Single Audits [Contracts and Grants Division]
12. OMB Circular A-133 – Single Audit Act Initial (Desk) Reviews [Audit Operations Division]
13. Audit of the National Endowment for Democracy [Contracts and Grants Division]

14. Audit of Expenditures Made Under the Emergencies in the Diplomatic and Consular Services Appropriation (K-Fund) [Financial Management Division]
15. Audit of Department of State Compliance With Trafficking Victims Protection Reauthorization Act of 2008 [International Programs Division]

## Priorities of the Department of State and BBG

We organized the Department's top priorities to align with the themes of the Quadrennial Diplomacy and Development Review (QDDR). The QDDR is intended to offer guidance on how the Department can work better and smarter by setting clear foreign affairs priorities, manage for results, promote accountability, and unify efforts to ensure the effective execution of solutions. Figure 1 depicts the four QDDR themes and our associated placement of High Performance Goals within each: **the Department's High Priority Performance Goals**,<sup>1</sup> **State & USAID Strategic Plan**, and **Government Accountability Office (GAO) High Risk**. Our investment of resource also recognizes Strategic Communications and Technology employed by BBG.

"I have made the QDDR one of our highest priorities. Just as every business must get the most out of every dollar from its investors, State and USAID have to get the most out of every dollar from the American taxpayers; we also have to look ahead, planning for a changing world. It's ultimately about delivering results for the American people—protecting our interests and projecting our leadership in the 21st century.

As President Obama observed this year in his National Security Strategy, "We live in a time of sweeping change." New actors, good and bad, have the power to shape international affairs like never before. The challenges we face—nuclear proliferation, global pandemics, climate change, terrorism—are more complex than ever.

It's not enough simply to keep up with all of this change. We must stay ahead of it. To that end, we will build up our civilian power: the combined force of civilians working together across the U.S. government to practice diplomacy, carry out development projects, and prevent and respond to crises. Many different agencies contribute to these efforts today. But their work can be more unified, more focused, and more efficient."

Hillary Rodham Clinton  
*Secretary of State*  
*December 2010*

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<sup>1</sup> Source: Office of Management and Budget, FY 2012 Department of State and USAID High Priority Performance Goals.

**Figure 1**

<p>QDDR Themes: <i>Leading Through Civilian Power</i></p>	<p><u>High Priority Performance Goals,</u> State &amp; USAID Strategic Plan, GAO High Risk</p>	<p>Lead Bureaus/ Offices</p>
<p>1. Diplomacy for the 21<sup>st</sup> Century</p> <p>Leading the implementation of global civilian operations, Adapting U.S. diplomacy to meet new challenges, Engaging beyond the State, and Supporting our diplomats as they take on new missions.</p>	<ul style="list-style-type: none"> <li>• <u>Global Health</u></li> <li>• Addressing HIV/AIDS Challenges</li> <li>• Promote Economic Growth and Prosperity</li> <li>• Promote International Understanding</li> <li>• Provide Humanitarian Assistance</li> <li>• <u>Global Security-Nuclear Nonproliferation</u></li> <li>• Strategic Communications and Technology (BBG)</li> <li>• <u>Climate Change</u></li> <li>• <u>Afghanistan and Pakistan</u></li> <li>• <u>Iraq</u></li> </ul>	<p>S/GAC USG= \$63B over 6 yrs.</p> <p>ISN</p> <p>S/SECC USG= \$30 B over 3 yrs.</p> <p>Overseas Contingency Operations (OCO) State \$4.368B</p>
<p>2. Transforming Development to Deliver Results</p> <p>Focusing our investments, Practice High-Impact Development, Rebuilding USAID as the preeminent global development institution, and Transforming the Department's support for development.</p>	<ul style="list-style-type: none"> <li>• <u>Democracy, Good Governance, and Human Rights</u></li> <li>• Govern Justly and Democratically</li> <li>• Invest in People</li> <li>• Sustaining Counternarcotics Activities</li> <li>• Enhancing Democracy &amp; Human Rights</li> <li>• Reforming United Nations Management</li> <li>• Implementing Millennium Challenge Compacts</li> <li>• Fostering Public Diplomacy &amp; International Broadcasting</li> </ul>	<p>DRL</p>
<p>3. Preventing and Responding to Crises and Conflicts</p> <p>Embracing and executing conflict prevention and response as a core civilian mission and Building capability to reform security and justice sectors</p>	<ul style="list-style-type: none"> <li>• <u>Food Security</u></li> <li>• Achieve Peace and Security (Counterterrorism)</li> <li>• Maximizing Humanitarian Assistance Activities</li> <li>• Stabilizing Regional Conflicts</li> </ul>	<p>S/P State = \$3.5B over 3 yrs.</p> <p>2,000 member Civilian Reserve Corps</p>
<p>4. Working Smarter</p> <p>Building a 21<sup>st</sup> Century Workforce, Managing contracting and procurement better to achieve our missions, and Planning and budgeting for results.</p>	<ul style="list-style-type: none"> <li>• <u>Management-Building Civilian Capacity</u></li> <li>• Strengthen Consular and Management Capabilities</li> <li>• Strengthening Visa &amp; Passport Operations</li> <li>• Addressing Staffing Challenges</li> </ul>	<p>HR/RMA 25% Increase in FSOs by 2014</p>

## Funding Levels and Potential Risks

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

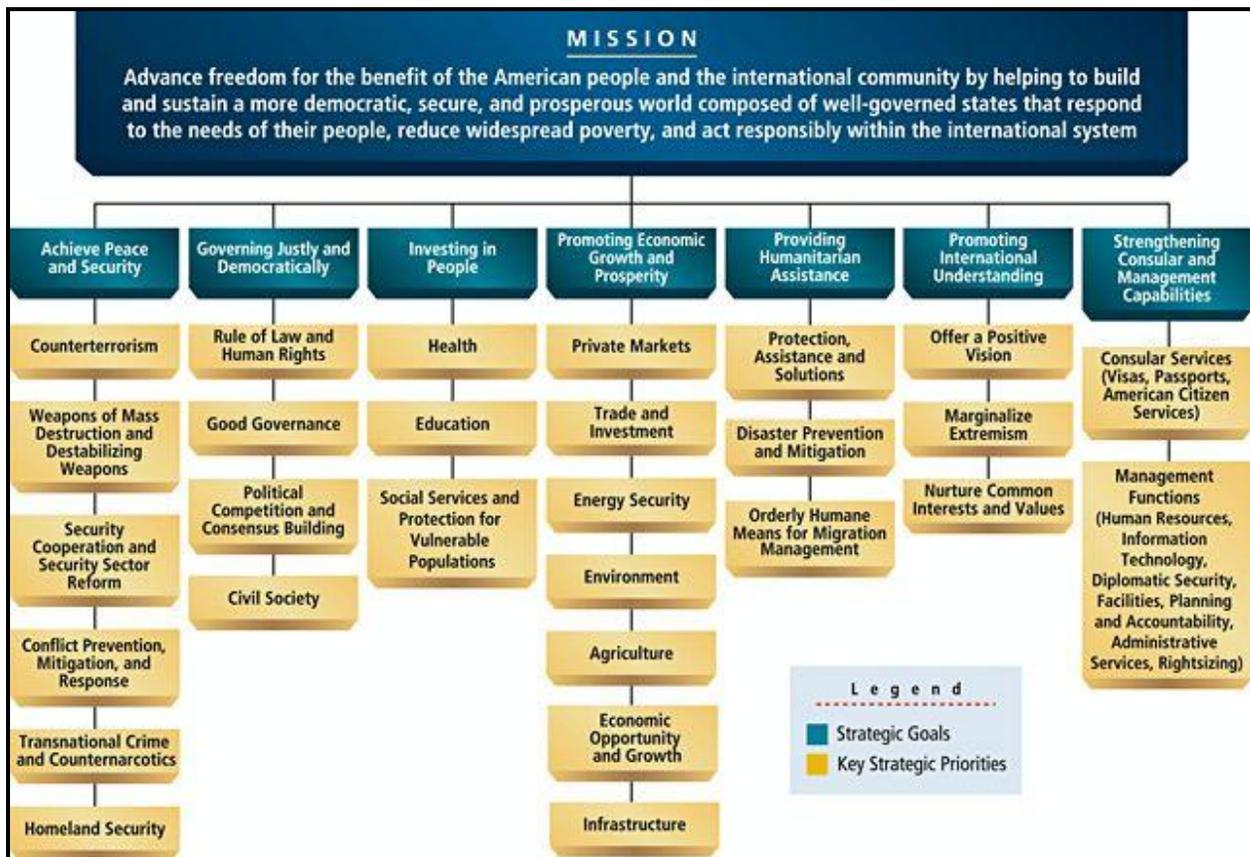
**Figure 2**

OMB High Priority Goals	Lead Bureaus	FY12 State Budget Request	Select Programs to Advance Priorities
<ul style="list-style-type: none"> <li>Global Health</li> </ul>	S/GAC, OES, S/GWI	\$5.641 billion	\$4.2 billion HIV/AIDS prevention, care, and treatment and other health-systems-strengthening programs in PEPFAR-supported countries.
<ul style="list-style-type: none"> <li>Global Security</li> </ul>	ISN, PM, VCI, INL, S/CT	\$8.2 billion (International Security Assistance)	\$69 million Global Threat Reduction Program,, \$60.9 million Export Control and Related Border Security Program, \$192.7 million Anti-Terrorism Assistance Program, \$1.5 billion International Narcotics Control and Law Enforcement, and \$60.7 million Inter-regional Aviation Support.
<ul style="list-style-type: none"> <li>Climate Change</li> </ul>	S/SECC OES, EEB	\$1.042 billion	\$452 million Global Climate Change Development Assistance and \$590 million for Clean Technology Fund and the Strategic Climate Fund.
<ul style="list-style-type: none"> <li>BBG</li> </ul>	BBG	\$754 million	\$754 million for International Broadcasting Operations to include VOA, MBN, RFE/RL, and RFA.
<ul style="list-style-type: none"> <li>Afghanistan</li> <li>Pakistan</li> <li>Iraq</li> </ul>	S/SRAP, DRL, INL, NEA, OBO, DRL	\$4.368 billion Overseas Contingency Operations (OCO)	\$1.2 billion Economic Support Fund for Afghanistan, \$3.2 billion Diplomatic and Consular Programs for Iraq, and \$246 million Worldwide Security Protection.
<ul style="list-style-type: none"> <li>Democracy, Good Governance, and Human Rights</li> </ul>	DRL, S/GWI, G/TIP, EEB, INL, OES, F	\$4 billion	\$20.8 million Office to Monitor and Combat Trafficking in Persons, \$31.3 million International Law Enforcement Academy (ILEA), and \$60.7 million Inter-regional Aviation Support Human Rights Democracy Fund.
<ul style="list-style-type: none"> <li>Food Security</li> </ul>	S/P, RM, EEB,OES	\$1.1 billion (USAID + State)	\$911.9 million Feed the Future (USAID).
<ul style="list-style-type: none"> <li>Management-Building Civilian Capacity</li> </ul>	S/GAC		
<ul style="list-style-type: none"> <li>Management-Building Civilian Capacity</li> </ul>	HR/RMA, S/CRS, INL, PM, S/CT	\$92.2 million	\$92.2 million Conflict Stabilization Operations

## Holistic Audit Attention

In FY 2012, we are initiating oversight activities in a number of bureaus that are integral to advancing the Department’s high priority performance goals to include the Bureau of Human Resources (HR); the Bureau of Overseas Buildings Operations (OBO); the Office of the Coordinator for Reconstruction and Stabilization (S/CRS); the Bureau of International Security and Nonproliferation (ISN); and the Bureau of Economic, Energy, and Business Affairs (EEB). This focus reflects our desire to add value to the Department’s mission while meeting the demands of the Congress and foreign affairs community to proactively review new programs and deter waste, fraud, and mismanagement. Figure 3 depicts the goal framework that links Department-wide goals to bureau and mission level goals, programs and performance information. Our holistic oversight approach corresponds with this goal framework, as well as the Department’s mission in the front-line states of Iraq, Afghanistan, and Pakistan.

**Figure 3**



Source: U.S. Department of State Fiscal Year 2010 Agency Financial Report.

## Our Fiscal Year 2012 Performance Plan

### Audits Directorate

#### Contracts and Grants

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
A, RM, PM, BBG/CG	Audit of Department of State's and BBG's Contractor Suspension and Debarment Process (Carryover)	To determine the efficacy of the Department's and BBG's contractor suspension and debarment process.	Program Risk	June 2011
EAP, NEA, SCA, and ECA /CG	Audit of Select Fulbright Commissions in the Bureaus of East Asian and Pacific Affairs (EAP), Near Eastern Affairs (NEA), and South and Central Asian Affairs. (Carryover)	To determine whether select Fulbright Commissions in EAP, NEA, and SCA are complying with the terms and conditions of grant regulations and agreements.	Program Risk	August 2011
DOS, BBG/AO, and CG	Quality Control Review of OMB Circular A-133 – Single Audit Act Initial (Desk) Reviews	Pursuant to the requirements of OMB Circular A-133, to provide selected Single Audit Act Desk Reviews that can identify questioned costs for repayment to the Department and BBG.	Mandatory	October 2011
Bureaus of NEA, SCA, PRM/CG	Audit of Select Grants for the Overseas Refugee Assistance Program in the Middle East and South Asia	To determine whether select grantee organizations receiving \$700 million in Department grants for Overseas Refugee Assistance Programs in the Middle East and South Asia are complying with grant terms and conditions.	Program Risk	February 2012
Bureaus of OBO and A/CG	Audit of Contracts for Major Overseas U. S. Embassy Construction Projects During FYs 2011-2012	To determine whether construction contractors for select major overseas embassy construction projects are complying with Federal procurement regulations.	Program Risk	March 2012

## Financial Management

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

Bureau/OIG Division	Audit Title	Primary Objective	Justification	Initiate Month/Year
CA, RM/ FM	Audit of the Department's Use of Machine Readable Visa (MRV) Fees	To determine to what extent MRV fees collected by the Department are expended in accordance with Department guidelines and mission priorities.	Program Risk	July 2011
DOS/FM	Compliance with the Improper Payments Improvement Act, as amended	To determine whether the Department is in compliance with the Improper Payments Improvement Act, as amended.	Mandatory	November 2011
BBG/FM	Compliance with the Improper Payments Improvement Act, as amended	To determine whether BBG is in compliance with the Improper Payments Improvement Act, as amended.	Mandatory	November 2011
INL and RM/FM	Review of DOS FY 2011 Accounting and Authentication of Drug Control Funds and Related Performance Report for the Office of National Drug Control Policy (ONDCP)	To authenticate the Department's FY 2011 accounting of drug control funds and related performance in compliance with ONDCP guidance.	Mandatory	December 2011
DOS/FM	Audit of the Department's FY 2012 Financial Statements	To determine whether the financial statements and related notes are presented fairly, in all material respects, in conformity with the accounting principles generally accepted in the United States.	Mandatory	January 2012

Bureau/OIG Division	Audit Title	Primary Objective	Justification	Initiate Month/Year
BBG/FM	Audit of BBG's FY 2012 Financial Statements	To determine whether the financial statements and related notes are presented fairly, in all material respects, in conformity with the accounting principles generally accepted in the United States.	Mandatory	January 2012
A/FM	Audit of the Department's Surcharge for Procurement Assistance From the Bureau of Administration	To determine whether the surcharge related to acquisitions has improved the efficiency and effectiveness of acquisition management and improved customer service.	Program risk	February 2012
RM and HR/FM	Audit of Foreign Service Retirement and Disability Fund's (FSRDF) FY 2011 Financial Statements	To determine whether the financial statements and related notes are presented fairly, in all material respects, in conformity with the accounting principles generally accepted in the United States.	Mandatory	March 2012
IBWC/FM	Audit of International Boundary and Water Commission's (IBWC) FY 2011 Financial Statements	To determine whether the financial statements and related notes are presented fairly, in all material respects, in conformity with the accounting principles generally accepted in the United States.	Mandatory	July 2012

## Human Capital and Infrastructure

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
HR,MED /HCI	Audit of the Department's Performance in Promoting and Ensuring a Drug-Free Workforce (Carryover)	To determine to what extent the Department's employee drug-testing program meets Federal and Department goals and industry benchmarks.	Program Risk	June 2011
HR/HCI	Audit of the Department's Efforts to Recruit and Retain Highly Skilled Personnel (Carryover)	To determine to what extent the Department's efforts to recruit and retain staff with specific knowledge, skills and abilities have been effective.	High Priority Performance Goal	September 2011
HR /HCI	Audit of the Department's Process To Discontinue Payroll Actions for Separated Employees	To determine the efficacy of the Department's process to timely remove separated employees from the payroll.	Program Risk	November 2011
OBO /HCI	Audit of the Department's Efforts to "Go Green"	To determine to what extent the Department's efforts to "Go Green" are meeting Federal and Department goals and objectives.	High Priority Performance Goal	April 2012
S/CRS, HR, INL, PM, CT//HCI	Audit of the Department's Progress in Staffing the Civilian Response Corps	To determine to what extent the Department has recruited, developed, trained, and equipped a 4,250 - person Civilian Response Corps.	High Priority Performance Goal	August 2012

## Information Technology

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
RM, DS, IRM, CA, A, HR/IT	Audit of Department of State Access Controls for Information Systems (Carryover)	To determine the effectiveness of logical access controls pertaining to user access to applications and associated databases.	Program Risk	August 2011

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
IRM/IT	Audit of Department of State Data Center Security and Consolidation	To determine whether the Department has instituted security controls that are appropriate to its data centers and is progressing with data center consolidation.	Program Risk	October 2011
DOS/IT	Review of the Information Security Program at the Department of State	To determine the effectiveness of security controls and techniques for selected information systems and compliance with Federal Information Security Management Act (FISMA) and related information security policies, procedures, standards, and guidelines.	Mandatory	February 2012
DS,INR/IT	Review of the Information Security Program for Sensitive Compartmented Information (SCI) Systems at the Department of State	To determine the effectiveness of security controls and techniques for SCI systems and compliance by the Department's Intelligence Community with FISMA and related information security policies, procedures, standards, and guidelines.	Mandatory	February 2012
BBG/IT	Review of the Information Security Program at the Broadcasting Board of Governors (BBG)	To determine the effectiveness of security controls and techniques for selected information systems and BBG compliance with FISMA and related information security policies, procedures, standards, and guidelines.	Mandatory	February 2012
IBWC/IT	Review of the Information Security Program at the International Boundary and Water Commission (IBWC)	To determine the effectiveness of security controls and techniques for selected information systems and IBWC compliance with FISMA and related information security policies, procedures, standards, and guidelines.	Mandatory	February 2012

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
IRM/IT	Audit of Department of State Security Controls Over the Active Directory Enterprise Environments	To determine whether the Department has securely implemented active directory services to prevent outside cyber attacks and has implemented effective security controls through the enterprise.	Program Risk	March 2012
IRM/IT	Audit of Department of State System Development Life Cycle (SDLC) Process	To determine to what extent the Department's SDLC policies and procedures address Federal requirements and best practices governing the SDLC process.	Program Risk	March 2012
IRM, RM, A/IT	Audit of Department of State Information Technology Vanguard Contract	To determine to what extent the Department has adhered to requirements for outsourcing IT support, as prescribed by OMB Circular A-76.	Program Risk	June 2012

### International Programs

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
ECA/IP	Audit of Department of State Administration of Grants for the International Visitor Leadership and Citizen Exchange Programs (Carryover)	To determine whether the Department has administered grants supporting the International Visitor Leadership and Citizen Exchange Programs in accordance with applicable laws and regulations.	Program Risk	June 2011
SECC, OES, EEB/IP	Audit of Department of State Progress in Achieving its Goals and Commitments to Combat Climate Change (Carryover)	To determine to what extent the Department is achieving its goals and commitments to the multilateral effort to combat climate change.	High Priority Performance Goal	August 2011

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
INL/IP	Audit of Bureau of International Narcotics and Law Enforcement Affairs (INL) Methodology To Account for and Report Eradication of Illicit Crops	To determine whether the data used to measure the Department's efforts to disrupt overseas production of illicit drugs is accurate and reasonable to evaluate program performance.	Program Risk	February 2012
GAC/IP	Audit of Department of State Oversight and Reporting of Donor Contributions to the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria (Carryover)	To determine to what extent the Department is fulfilling its obligations to oversee, track, and report contributions to the Global Fund in accordance with requirements set forth in the U.S. Leadership in the Fight Against HIV/AIDS, Tuberculosis and Malaria Act of 2008.	High Priority Performance Goal	April 2012
PM,WRA/IP	Audit of Department of State Management and Oversight of the U.S. Humanitarian Mine Action Program	To determine whether the Department has implemented internal controls to effectively manage and oversee the U.S. Humanitarian Mine Action Program.	Program Risk	September 2012

## Security and Intelligence

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
A, DS/SI	Audit of Department of State Process To Award the Worldwide Protective Services (WPS) Contract and Kabul Embassy Security Force Task Order (Carryover)	To determine whether the Department's process to award the WPS contract and subsequent Kabul task order included required procedures to assess contractor responsibility, past performance, and technical merit.	Mandatory	March 2011
T,ISN, CTR/SI	Audit of Department of State Administration of Nonproliferation and Threat Reduction Programs	To determine whether the Department has implemented internal controls to effectively monitor and measure Nonproliferation and Threat Reduction assistance.	High Priority Performance Goal	October 2011

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
M,DS/SI	Audit of Compliance With Secure Embassy Construction and Counterterrorism Act of 1999 (SECCA) and Overseas Security Policy Board (OSPB) Security Requirements	To determine whether posts in select geographical regions are meeting the security requirements prescribed by SECCA and OSPB.	Program Risk	November 2011
T, PM, EEB/SI	Audit of Department of State Actions To Address the Challenges of Maritime Piracy	To determine to what extent and manner the Department has achieved its goals and objectives in halting maritime pirate attacks emanating from Somalia.	Program Risk	March 2012
M, DS, IRM/SI	Audit of Bureau of Diplomatic Security Implementation of Interoperable Communications at Overseas Posts	To determine DS's progress in implementing interoperable communications among strategic partners at overseas posts.	Program Risk	July 2012

## Middle East Region Operations Directorate

### Iraq

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
Embassy Baghdad, DS, AQM/MERO	Audit of the Worldwide Protective Services (WPS) Task Order for the Baghdad Embassy Security Force (BESF)	To determine whether the Department's administration and oversight of the WPS task order for BESF has been effective.	Program Risk	October 2011

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
Embassy Baghdad, NEA, MED, AQM/MERO	Audit of the Department's Management of Medical Operations Supporting Personnel Assigned to Iraq	To determine whether the Department's management of medical operations dedicated to supporting personnel assigned to Iraq has been effective and properly resourced.	Program Risk	January 2012

Embassy Baghdad, DS, AQM/MERO	Audit of the Worldwide Protective Services (WPS) Kirkuk/Mosul Task Order	To determine whether the Department's administration and oversight of the WPS task order for Kirkuk/Mosul has been effective.	Program Risk	September 2012
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### Afghanistan

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
Embassy Kabul, DS, AQM/MERO	Audit of the Worldwide Protective Services (WPS) Task Order for the Kabul Embassy Security Force (KESF)	To determine whether the Department's administration and oversight of the KESF task order has been effective.	Program Risk	October 2011

Embassy Kabul, INL, OBO/MERO	Audit of Administration and Oversight of Contracts To Construct Prisons Within Afghanistan	To determine whether the Bureau of International Narcotics and Law Enforcement Affairs has effectively administered and overseen funds expended for prison construction within Afghanistan.	Program Risk	April 2012
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Embassy Kabul, DS, AQM/MERO	Audit of the Worldwide Protective Services (WPS) Herat/Mazar-e-Sharif Task Order	To determine whether the Department's administration and oversight of the Herat/Mazar-Sharif task order has been effective.	Program Risk	September 2012
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**Pakistan**

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
Embassy Islamabad, AQM/MERO	Audit of the Operations and Maintenance Contract for Embassy Islamabad	To determine whether the Department has effectively managed and overseen the operations and maintenance contract for Embassy Islamabad.	Program Risk	October 2012
Embassy Islamabad, SRAP/MERO	Audit of the Administration and Oversight of Economic Support Funds for Pakistan	To determine whether the Department's administration and oversight of Economic Support Funds for Pakistan have been effective.	Program Risk	April 2012
Embassy Islamabad, INL/MERO	Audit of the Administration and Oversight of the Pakistan National Police Training and Mentoring Program	To determine whether the Bureau of International Narcotics and Law Enforcement Affairs administration and oversight of the Pakistan national police training and mentoring program have been effective and achieved stated performance goals.	Program Risk	September 2012

**Other Reviews**

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
Consulate General Jerusalem, DS, AQM/MERO	Audit of the Worldwide Protective Services (WPS) Jerusalem Task Order	To determine whether the Department's administration and oversight of the WPS task order for Jerusalem has been effective.	Program Risk	February 2012

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
Embassy Jordan, INL/MERO	Audit of Department of State Administration and Oversight of the Jordanian Police Modernization Program	To determine whether the Bureau of International Narcotics and Law Enforcement Affairs administration and oversight of the Jordanian Police Modernization Program have been effective and achieved stated performance goals.	Program Risk	July 2012

DS, NEA and SCA/MERO	Audit of Bureau of Diplomatic Security Management of the Worldwide Protective Services (WPS) Contract Within Bureau s of Near Eastern Affairs (NEA) and South and Central Asian Affairs (SCA) Countries	To determine what requirement studies and assessments were conducted by the Bureau of Diplomatic Security to establish WPS protection service requirements in NEA and SCA countries.	Program Risk	September 2012
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