



United States Department of State  
and the Broadcasting Board of Governors

*Office of Inspector General*

OCT 26 2012

**MEMORANDUM**

TO: M – Mr. Patrick Kennedy  
FROM: OIG – Harold W. Geisel   
SUBJECT: Review of Voucher Processing (ISP-I-13-01)

**Summary**

The Office of Inspector General (OIG) conducted a survey of voucher processing to assess the Department of State's (Department) use of the Bureau of the Comptroller and Global Financial Services (CGFS)/Post Support Unit (PSU),<sup>1</sup> determine the potential for expanded use of CGFS/PSU throughout the Department, and identify related issues and best practices. This survey is part of a broader, ongoing OIG review of regionalization and rightsizing in the Department.

Use of CGFS/PSU in the Department is largely voluntary and varies among the regional bureaus. The OIG team found through analysis of International Cooperative Administrative Support Services (ICASS) data and post inspection field work that it is more economical to outsource vouchering than to hire or replace local staff. Accordingly, OIG teams have made formal recommendations to outsource a portion of post voucher workload to CGFS/PSU.

Despite this finding, the Department has no immediate plans to centralize transactional vouchering processing to take advantage of the probable cost containment and savings, economies of scale, knowledge gained as a result of repetitive processing, and improved internal controls. However, CGFS wants all posts to consider outsourcing to CGFS/PSU as part of their workforce planning and to conduct a cost-benefit analysis of CGFS/PSU use as attrition occurs or as vouchering workload increases. Some of the regional bureaus have already instituted this requirement. OIG believes the Department should make such cost-benefit analysis a required part of annual workforce planning for posts.

**Scope and Methodology**

The OIG team interviewed officials in Department bureaus responsible for management, decisionmaking, and oversight of voucher processing initiatives, including the Office of Management Policy, Rightsizing, and Innovation (M/PRI); CGFS; the Bureau of European and

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<sup>1</sup> In July 2012 the Department restructured the Bureau of Resource Management into two bureaus: the Bureau of the Comptroller and Global Financial Services and the Bureau of Budget and Planning.

Eurasian Affairs; and the Bureau of East Asian and Pacific Affairs. The purpose of the interviews was to identify current and planned Department voucher processing initiatives, including their implementation, goals, and timelines. The OIG team also analyzed ICASS data and OIG inspection recommendations related to voucher processing over the past 5 years as well as posts' compliance with those recommendations.

Team leader Jacqueline James and inspector Tim Wildy conducted the survey between August 1 and 24, 2012.

## **Background**

In 2006, the Bureau of Resource Management established a Distressed Post Support Unit (DPSU) to provide 24-hour/7-day remote financial services and support to posts needing assistance because of local circumstances, including posts in danger or war zones, those in transition or struck by natural disasters, as well as posts with high labor costs and heavy workloads. The DPSU was piloted at Embassy Baghdad. Following this successful pilot, the DPSU was renamed Post Support Unit (PSU) and expanded to support posts in other regional bureaus, including Tripoli, Libya, and Malabo, Equatorial Guinea.

CGFS/PSU currently operates in three locations: Charleston, South Carolina; Bangkok, Thailand; and Sofia, Bulgaria. With approximately 80 employees, CGFS/PSU provides remote voucher processing to approximately 111 overseas posts and offers services in accounting and time and attendance. For vouchering, CGFS/PSU is set up to provide what it calls "one-stop service," which includes assisting posts with backlogs and surges in voucher volume, enhancing post financial processing performance, and filling in for certifying officers and voucher examiners.

In the FY 2012 Congressional Budget Justification for the Department of State Operations Volume I, the Department requested funding to support fully the cost of providing centralized permanent change of station travel vouchering services for posts. The then-named Bureau of Resources Management noted that this initiative supports the Department's goal of greater centralization, standardization, and regionalization of support activities, including transactional financial services functions.<sup>2</sup>

### ***Top 8 Global Management Priorities***

M/PRI's Regional Initiative Council, composed of the regional executive directors, includes voucher processing as one of the Top 8 Global Management priorities for posts for 2012. The primary goal is for posts to reduce costs by moving to remote voucher processing. The Top 8 Global Management initiatives are the Department's response to pressure from ICASS member agencies wanting to see ICASS costs decrease. M/PRI's most recent data show that 111 posts have implemented CGFS/PSU for a portion of their voucher processing; 63 posts are in the process of CGFS/PSU implementation; 59 posts have not started CGFS/PSU implementation; and at 19 posts CGFS/PSU implementation is not applicable.<sup>3</sup>

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<sup>2</sup> FY 2012 Congressional Budget Justification for the Department of State Operations Volume I, pp. 45–46.

<sup>3</sup> M/PRI Web site, *Top 8 Priorities*.

## Findings

### *Use of Global Financial Services/Post Support Unit*

Use of CGFS/PSU is largely voluntary and varies among the regional bureaus. It is usually a post's decision whether to outsource all or a portion of its vouchering function to CGFS/PSU. In some instances, regional bureaus have mandated the use of CGFS/PSU for certain posts (for example, Baghdad, Tripoli, Malabo, and Port-au-Prince). With 111 posts using CGFS/PSU's voucher processing services, it is the largest single vouchering processing unit for the Department. Participating posts are required to sign an indefinite service-level agreement that establishes an ongoing and baseline service level, performance standards, and unit cost information to provide voucher processing services to posts. A service fee charge of \$12 per voucher strip code covers the entire cost of operations.

The OIG team found through analysis of ICASS data and post inspection field work that it is more economical to outsource vouchering than to hire or replace local staff. In terms of unit costs, CGFS/PSU's \$12 charge per voucher strip code falls well below the ICASS average of \$34 per voucher strip code. Using these data, three posts (Bangkok, Manila, and Vientiane) have voucher strip code costs lower than CGFS/PSU's (see Appendices I and II). Also, seven OIG post inspection reports from 2007 to 2012 highlighted the economy and efficiency of using CGFS/PSU (see Appendix III). The inspectors recommended that these posts outsource travel advances and voucher payment functions to CGFS/PSU. Five posts have complied with the recommendations, and compliance is still open for two post inspection reports issued in 2012.

Although it is more economical for CGFS/PSU to process travel and vendor vouchers, OIG acknowledges that post operating environments vary considerably. Consequently, each regional bureau has different limitations, implementation rates, and cost containment or outsourcing goals for voucher processing.

Despite the potential benefits of using CGFS/PSU, the Department has no immediate plans to centralize transactional vouchering processing to take advantage of the probable cost containment and savings, economies of scale, knowledge gained as a result of repetitive processing, and improved internal controls. The OIG team learned that staffing, office space, and Department policy are among the obstacles to CGFS/PSU expansion.

CGFS views PSU's delivery of services as consistent with Department regionalization goals and its own goals to standardize financial processes and systems. The bureau also sees the benefits of CGFS/PSU services beyond costs, including freeing up financial management personnel to perform higher value-added and location-specific tasks and performing routine financial transaction processing work remotely. CGFS believes every post should have a financial management officer to handle core financial management duties, but financial processing, or at least a significant portion of voucher processing conducted overseas, is not needed at all posts.

However, CGFS maintains it lacks the infrastructure necessary for immediate expansion to support remote voucher processing worldwide and simultaneously maintain customer satisfaction. Once the current update of the domestic financial system and the follow-on update of the overseas system are completed, CGFS believes it will be in a better position to expand CGFS/PSU services.

CGFS does not have a strategic plan to expand PSU services or a contingency plan for full use of PSU in the Department. However, CGFS has steadily increased its voucher processing workload and, in FY 2010, fully centralized overseas permanent change of station vouchering from posts. The bureau says it has worked continuously to expand space and staff to stay ahead of the growing workload. Additional demands for CGFS/PSU voucher processing services are absorbed in increments or tiers to allow sufficient time to prepare for and manage workload increases. However, with its current staffing and office space allocation, CGFS/PSU staff will soon reach its maximum capacity for voucher processing.

Nonetheless, CGFS wants all posts to consider outsourcing to PSU as part of their workforce planning to avoid potential reductions in force, the associated expenses, and low local staff morale. CGFS believes all posts should conduct a cost-benefit analysis of PSU usage as attrition occurs or as vouchering workload increases. Some of the regional bureaus have already instituted this requirement. Although OIG agrees with this approach, the inspection team believes that such an analysis would be most useful if conducted annually as part of post planning activities.

**Recommendation 1:** The Office of the Under Secretary for Management should implement a policy that requires overseas posts to include as part of their annual workforce planning a cost-benefit analysis of outsourcing their voucher processing to the Bureau of the Comptroller and Global Financial Services Post Support Unit. (Action: M/PRI)

Other findings and observations based on this survey include the following:

- Despite the low cost of CGFS/PSU services, some overseas posts in the same geographical region with similar operating environments disagree about the cost-effectiveness of outsourcing some of their vouchering to CGFS/PSU.
- The Department has no uniform standard operating procedures for overseas voucher processing. Each overseas post develops its own voucher processing standard operating procedures and determines the configuration of its voucher unit.
- Although the Department has performance standards and metrics for overseas voucher examiners, there is a wide variance between the most and least productive posts, based on a ratio of vouchers processed per voucher examiner.
- At the time of the survey it was unclear whether Integrated Logistics Management System and Regional Financial Management System integration will make it easier for posts to outsource vender vouchers to CGFS/PSU for remote processing.
- Department technological improvements of its financial and administrative systems are currently aimed at improving corporate systems rather than increasing the capability of PSU.

I would be happy to meet with you to discuss this matter further, or your staff may contact (b) (6) Assistant Inspector General for Inspections, by email at (b) (6) @state.gov or by telephone on 202-663-(b) (6)

Appendices:

- Appendix I: Comparative Analysis of Voucher Processing Statistics – ICASS Standard Missions
- Appendix II: Comparative Analysis of Voucher Processing Statistics – ICASS Lite Missions
- Appendix III: Voucher Processing Recommendations in OIG Inspection Reports

Enclosures:

- Compliance Sheet
- OIG Resolution Procedures

cc: CGFS – James L. Millette

**Abbreviations**

CGFS	Bureau of the Comptroller and Global Financial Services
CGFS/PSU	Bureau of the Comptroller and Global Financial Services/Post Support Unit
Department	Department of State
DPSU	Distressed Post Support Unit
ICASS	International Cooperative Administrative Support Services
M/PRI	Bureau of Management, Office of Management Policy, Rightsizing, and Innovation
OIG	Office of Inspector General
PSU	Post Support Unit

**Appendix I: Comparative Analysis of Voucher Processing Statistics – ICASS Standard Missions**

<b>ICASS Standard Missions</b>	<b>Direct-Hire FTE</b>	<b>LE Staff FTE</b>	<b>Total Staff to Process Voucher</b>	<b>Current Total Voucher Workload</b>	<b>Current Workload per LE Staff FTE</b>	<b>Cost per Voucher Strip Code</b>
Santo Domingo	0.25	5.50	5.75	21,060	3,829	15.64
Canberra	0.20	6.62	6.82	23,989	3,624	27.04
Berlin	0.17	14.04	14.21	50,614	3,605	48.18
Bern	0.00	1.05	1.05	3,568	3,398	50.33
Vienna	0.15	4.42	4.57	14,591	3,301	41.24
Dakar	0.50	4.65	5.15	15,183	3,265	19.61
Sarajevo	0.05	4.00	4.05	12,290	3,073	14.30
Bangkok	0.78	13.58	14.36	40,525	2,984	9.07
Bogota	0.50	10.50	11.00	30,559	2,910	23.41
Jakarta	0.15	8.40	8.55	24,407	2,906	11.70
Manila	0.05	10.75	10.80	29,463	2,741	7.09
Tel Aviv	0.40	9.49	9.89	25,622	2,700	27.62
Dar Es Salaam	0.35	3.35	3.70	8,739	2,609	21.90
Ottawa	0.33	7.80	8.13	20,261	2,598	30.76
Astana	0.30	4.03	4.33	10,178	2,526	19.53
Santiago	0.32	4.62	4.94	11,668	2,526	31.95
Brussels	0.14	9.53	9.67	23,615	2,478	47.64
Kampala	0.35	3.55	3.90	8,701	2,451	16.42
Lima	0.32	7.71	8.03	18,529	2,403	21.93
Managua	0.20	3.82	4.02	8,912	2,333	21.32
Kyiv	0.30	5.58	5.88	12,928	2,317	15.54
Quito	0.40	6.00	6.40	13,875	2,313	20.23
Ankara	0.35	8.65	9.00	19,976	2,309	32.84
Abu Dhabi	0.05	4.45	4.50	10,262	2,306	28.41
Phnom Penh	0.30	4.90	5.20	11,295	2,305	18.42
Tokyo	0.53	8.03	8.56	18,033	2,246	64.52
Pretoria	0.95	15.45	16.40	34,458	2,230	33.12
Amman	0.30	4.20	4.50	8,812	2,098	20.35
Nairobi	0.50	10.75	11.25	22,479	2,091	24.55
Islamabad	0.25	11.75	12.00	24,453	2,081	14.14
Mexico	1.27	22.40	23.67	45,797	2,045	29.84
Madrid	0.45	4.68	5.13	9,414	2,012	38.51
Hong Kong	0.20	4.85	5.05	9,540	1,967	38.57

ICASS Standard Missions	Direct-Hire FTE	LE Staff FTE	Total Staff to Process Voucher	Current Total Voucher Workload	Current Workload per LE Staff FTE	Cost per Voucher Strip Code
Nassau	0.30	2.60	2.90	5,053	1,943	46.63
Budapest	0.25	5.89	6.14	11,343	1,926	22.42
Brasilia	0.44	10.99	11.43	20,903	1,902	37.61
Beijing	0.75	21.90	22.65	41,378	1,889	28.58
Bucharest	0.45	5.95	6.40	11,223	1,886	28.75
Warsaw	0.28	8.60	8.88	16,194	1,883	26.54
Rabat	0.10	6.45	6.55	11,994	1,860	25.16
Athens	0.15	7.34	7.49	13,590	1,851	38.22
San Salvador	0.19	5.75	5.94	10,638	1,850	19.07
Seoul	0.10	6.05	6.15	11,083	1,832	33.52
Kinshasa	0.26	3.85	4.11	6,658	1,729	33.75
Riyadh	0.15	6.45	6.60	11,443	1,774	45.24
Bamako	0.29	3.24	3.53	5,687	1,755	26.71
Panama	0.37	5.55	5.92	9,524	1,716	28.12
Paris	0.55	11.77	12.32	19,927	1,693	57.61
Guatemala	0.44	5.20	5.64	8,794	1,691	28.28
Tunis	0.35	5.60	5.95	9,205	1,644	23.98
Kuwait	0.15	4.85	5.00	7,821	1,613	35.21
La Paz	0.45	7.20	7.65	11,603	1,612	18.15
Tegucigalpa	0.32	4.35	4.67	6,879	1,581	33.41
Accra	0.45	7.45	7.90	11,744	1,576	23.65
London	0.90	13.30	14.20	20,857	1,568	60.73
New Delhi	0.40	19.60	20.00	30,449	1,554	17.36
Buenos Aires	0.17	7.15	7.32	10,859	1,519	31.19
Havana	0.12	3.10	3.22	4,672	1,507	18.17
Kuala Lumpur	0.35	4.60	4.95	6,879	1,495	25.96
Addis Ababa	0.27	7.10	7.37	10,401	1,465	18.47
Moscow	0.49	15.68	16.17	22,544	1,438	32.50
Singapore	0.25	6.10	6.35	8,762	1,436	49.80
San Jose	0.30	5.10	5.40	7,256	1,423	30.11
Caracas	0.27	7.32	7.59	9,952	1,360	40.50
Cairo	0.75	10.80	11.55	14,586	1,351	34.24
Rome	0.20	13.06	13.26	16,914	1,295	56.08
Colombo	0.15	3.00	3.15	3,736	1,245	20.12
Abuja	0.71	9.77	10.48	11,992	1,227	38.65
Muscat	0.20	3.25	3.45	3,898	1,199	38.67

<b>ICASS Standard Missions</b>	<b>Direct- Hire FTE</b>	<b>LE Staff FTE</b>	<b>Total Staff to Process Voucher</b>	<b>Current Total Voucher Workload</b>	<b>Current Workload per LE Staff FTE</b>	<del><b>Cost per Voucher Strip Code</b></del>
Conakry	0.30	2.00	2.30	2,090	1,045	<del>33.67</del>
Port-au-Prince	0.45	8.10	8.55	7,450	920	<del>48.43</del>
Abidjan	0.20	5.75	5.95	4,560	793	<del>51.87</del>
Belgrade	0.15	4.00	4.15	2,998	750	<del>29.95</del>

Note: FTE, full-time equivalent; LE, locally employed (staff).

Source: ICASS Web site.

**Appendix II: Comparative Analysis of Voucher Processing Statistics – ICASS Lite Missions**

<b>ICASS Lite Missions</b>	<b>Direct-Hire FTE</b>	<b>LE Staff FTE</b>	<b>Total Staff to Process Voucher</b>	<b>Current Total Voucher Workload</b>	<b>Current Workload per LE Staff FTE</b>	<b>Unit Cost for Financial Services</b>
Yerevan	0.50	6.30	6.80	26,736	4,244	15.69
Podgorica	0.08	1.80	1.88	6,786	3,770	15.46
Jerusalem	0.90	9.05	9.95	33,865	3,742	22.65
Riga	0.20	4.30	4.50	15,791	3,672	13.89
Windhoek	0.63	5.00	5.63	17,583	3,517	24.31
Dublin	0.25	4.75	5.00	16,695	3,515	41.08
Dushanbe	1.10	5.80	6.90	18,831	3,247	23.46
Skopje	1.00	4.35	5.35	13,921	3,200	29.22
Chisinau	0.65	5.95	6.60	18,975	3,189	13.88
Oslo	0.25	4.80	5.05	15,233	3,174	40.46
Kigali	1.10	6.00	7.10	18,817	3,136	17.03
Rangoon	1.00	5.70	6.70	17,622	3,092	22.11
Vilnius	0.76	5.00	5.76	15,391	3,078	23.37
Hanoi	1.21	13.70	14.91	42,094	3,073	14.83
Damascus	1.05	4.95	6.00	14,328	2,895	34.61
Wellington	0.40	6.70	7.10	19,241	2,872	30.55
Helsinki	0.35	4.90	5.25	13,666	2,789	39.52
Paramaribo	0.20	3.10	3.30	8,638	2,786	15.09
Tashkent	0.90	5.65	6.55	15,734	2,785	19.97
Kathmandu	0.95	10.00	10.95	27,799	2,780	17.68
Montevideo	0.05	6.35	6.40	17,515	2,758	27.26
Vientiane	0.25	5.95	6.20	15,825	2,660	8.76
Tirana	0.60	5.70	6.30	14,784	2,594	18.32
Bridgetown	1.00	8.05	9.05	20,530	2,550	35.07
Geneva	1.15	6.55	7.70	16,677	2,546	97.99
Harare	1.15	7.85	9.00	19,675	2,506	25.61
Zagreb	0.75	8.60	9.35	21,321	2,479	39.36
Pristina	0.55	6.00	6.55	14,551	2,425	21.76
The Hague	0.28	8.90	9.18	21,458	2,411	50.22
Port of Spain	0.20	4.52	4.72	10,830	2,396	21.49
Tblisi	1.22	10.80	12.02	25,277	2,340	25.87
Djibouti	0.90	5.25	6.15	12,277	2,338	39.87
Majuro	0.00	0.55	0.55	1,285	2,336	17.39

ICASS Lite Missions	Direct-Hire FTE	LE Staff FTE	Total Staff to Process Voucher	Current Total Voucher Workload	Current Workload per LE Staff FTE	Unit Cost for Financial Services
Bratislava	0.15	5.15	5.30	12,005	2,331	22.68
Reykjavik	0.20	1.95	2.15	4,484	2,299	59.37
Dili	0.20	2.70	2.90	6,184	2,290	25.34
Nicosia	0.45	4.70	5.15	10,690	2,274	51.97
Ashgabat	0.60	5.90	6.50	13,343	2,262	22.21
Belmopan	0.20	4.65	4.85	10,171	2,187	24.80
Yaoundé	1.10	9.35	10.45	20,273	2,168	29.33
Suva	1.35	4.20	5.55	9,095	2,165	35.20
Ouagadougou	0.15	7.80	7.95	16,509	2,117	23.23
Dhaka	0.75	11.05	11.80	23,371	2,115	17.75
Khartoum	0.90	8.05	8.95	16,973	2,108	34.28
Prague	0.55	7.95	8.50	16,747	2,107	26.44
Manama	0.95	5.74	6.69	12,070	2,103	45.69
Tallinn	0.30	5.00	5.30	10,504	2,101	40.34
Valletta	0.30	2.95	3.25	6,154	2,086	26.18
Bishkek	1.00	6.10	7.10	12,515	2,052	24.92
Algiers	1.05	7.10	8.15	14,353	2,022	37.30
Georgetown	0.25	6.20	6.45	12,422	2,004	14.45
Copenhagen	0.20	5.81	6.01	11,576	1,992	43.94
Baku	0.50	7.25	7.75	14,442	1,992	28.99
Stockholm	0.27	7.85	8.12	15,498	1,974	57.93
Niamey	1.10	5.70	6.80	10,994	1,929	36.84
Asuncion	1.08	7.13	8.21	13,704	1,922	30.28
Port Louis	0.30	2.65	2.95	5,057	1,908	33.13
Curacao	0.35	2.00	2.35	3,809	1,905	68.82
Praia	0.20	2.95	3.15	5,564	1,886	37.00
Sofia	0.60	9.00	9.60	16,790	1,866	23.40
Lilongwe	1.05	6.78	7.83	12,566	1,853	29.57
Hamilton	0.15	1.35	1.50	2,483	1,839	89.00
Beirut	1.00	7.50	8.50	13,678	1,824	46.41
Antananarivo	1.05	6.76	7.81	12,326	1,823	27.21
Sanaa	1.00	12.05	13.05	21,828	1,811	39.14
Maputo	1.05	12.97	14.02	23,445	1,808	30.66
Brazzaville	0.25	4.00	4.25	7,154	1,789	21.84
Doha	1.00	4.79	5.79	8,526	1,780	76.89
Ljubljana	0.35	5.70	6.05	10,143	1,779	50.21

<b>ICASS Lite Missions</b>	<b>Direct- Hire FTE</b>	<b>LE Staff FTE</b>	<b>Total Staff to Process Voucher</b>	<b>Current Total Voucher Workload</b>	<b>Current Workload per LE Staff FTE</b>	<b>Unit Cost for Financial Services</b>
Minsk	0.15	4.95	5.10	8,553	1,728	20.47
Mbabane	0.20	4.00	4.20	6,697	1,674	35.83
Ulaanbaatar	0.30	7.73	8.03	12,796	1,655	24.48
Contonu	1.10	5.90	7.00	9,723	1,648	51.43
Luanda	1.05	6.00	7.05	9,751	1,625	59.37
Freetown	0.35	4.65	5.00	7,547	1,623	21.92
Lome	1.00	6.20	7.20	10,034	1,618	34.42
Maseru	0.24	4.00	4.24	6,395	1,599	30.43
Gaborone	1.05	12.00	13.05	18,636	1,553	40.34
Lusaka	1.05	7.00	8.05	10,834	1,548	51.31
Libreville	0.50	5.85	6.35	8,433	1,442	57.86
Monrovia	1.10	9.00	10.10	12,860	1,429	56.29
Lisbon	0.50	6.55	7.05	9,247	1,412	63.42
Ndjamena	1.15	8.00	9.15	11,284	1,411	47.51
Bujumbura	0.70	6.70	7.40	9,252	1,381	34.66
Banjul	0.15	4.05	4.20	5,396	1,332	16.25
Kabul	0.85	23.60	24.45	30,835	1,307	58.28
Luxembourg	0.25	2.90	3.15	3,774	1,301	110.86
Koror	0.00	0.95	0.95	1,213	1,277	12.56
Kingston	1.15	9.00	10.15	11,311	1,257	51.14
Nouakchott	0.05	9.30	9.35	10,488	1,128	26.32
Asmara	0.25	4.10	4.35	4,116	1,004	37.96
Tripoli	1.00	7.15	8.15	7,053	986	52.90
Kolonia	0.15	1.05	1.20	940	895	34.92
Banqui	0.25	4.00	4.25	2,424	606	49.82

Note: FTE, full-time equivalent; LE, locally employed (staff).

Source: ICASS Web site.

### **Appendix III: Voucher Processing Recommendations in OIG Inspection Reports**

#### ***Inspection of Embassy Santo Domingo, Dominican Republic (ISP-I-11-40A, May 2011)***

Recommendation 23: Embassy Santo Domingo should outsource its travel advance and voucher payment function to the Department of State's Financial Service Centers' post support units. (Action: Embassy Santo Domingo)

#### ***Inspection of Embassy Bogota, Columbia (ISP-I-11-41A, June 2011)***

Recommendation 20: Embassy Bogotá should continue to outsource its travel voucher payment function to the Department's Financial Services Centers' post support units until it has eliminated its backlog of unprocessed vouchers and has demonstrated that it can manage the workload without such assistance. (Action: Embassy Bogotá)

#### ***Inspection of Embassy San José, Costa Rica (ISP-I-12-23A, May 2012)***

Recommendation 9: Embassy San José should process all travel vouchers through the Post Support Unit and implement a plan to outsource other categories of vouchers to the Post Support Unit. (Action: Embassy San José)

Recommendation 10: Embassy San José should implement a plan to rightsize staffing in its financial management unit based on workload analysis, outsourcing of voucher processing, and comparable staffing at similarly sized embassies. (Action: Embassy San José)

#### ***Inspection of Embassy Singapore, Singapore (ISP-I-12-36A, June 2012)***

Recommendation 16: Embassy Singapore should outsource its travel advance and travel voucher processing payment functions to the Bureau of Resource Management's post support units. (Action: Embassy Singapore)

#### ***Inspection of Embassy Tokyo, Japan (ISP-I-08-39A, June 2008)***

Recommendation 12: Embassy Tokyo, in coordination with the Bureau of Resource Management Global Financial Services, should initiate a phased-in transfer of the voucher processing function from Embassy Tokyo to the Post Support Unit in Bangkok. (Action: Embassy Tokyo, in coordination with RM/GFS)

#### ***Inspection of Embassy Islamabad, Pakistan (ISP-I-10-64A, June 2010)***

Recommendation 20: The Bureau of Resource Management, in coordination with Embassy Islamabad and the Bureau of South and Central Asian Affairs, should review the feasibility of a pilot program to move offshore the tracking of new position startup costs, partial-year invoices, voucher processing, and temporary duty traveler invoices for Mission Pakistan. (Action: RM, in coordination with Embassy Islamabad and SCA)

*Inspection of Embassy Luxembourg, Grand Duchy of Luxembourg (ISP-I-11-17A, January 2011)*

Recommendation 15: Embassy Luxembourg should contact the Bureau of Resource Management's post support unit to determine the cost and feasibility of providing remote voucher processing and initiate that function if appropriate. (Action: Embassy Luxembourg, in coordination with RM)

**COMPLIANCE INFORMATION SHEET AND INSTRUCTIONS  
FOR OIG INSPECTION REPORTS**

**Compliance Contacts:**

(b) (6)

Office of Inspections, Office of Inspector General, U.S. Department of State, SA-39, (b) (6)

**Response Due Date: 30 days from receipt of this e-transmittal**

Below is a list of the reports and recommendations assigned to action and coordinating entities. Instructions on how to submit compliance updates are provided on the following pages.

**PRODUCT NAME: MEMORANDUM REPORT – REVIEW OF VOUCHER  
PROCESSING, ISP-I-13-01**

**Action Entity:**  
M/PRI

**Recommendation(s):**  
1

## Compliance Instructions for OIG Inspection Reports

### Action Entities

1. Action entities should, via a record e-mail, list each recommendation by number and text verbatim along with a detailed discussion indicating agreement or disagreement with the recommended action for each recommendation within 30 days from the receipt of this e-transmittal of the report.
  - a. The record e-mail should indicate the appropriate clearances.
  - b. The ACTION line should be addressed to the ISP compliance contacts on page one—the assigned analyst and the supervisory analyst.
  - c. The SUBJECT line should include the report title and report number.
  - d. The record e-mail must be tagged ASIG, and at a minimum should be captioned sensitive or with the overall highest classification of the applicable text or recommendations issued in the report.
  - e. Action entities are reminded to properly portion mark paragraphs in classified record e-mails.
2. For agreement, include corrective actions taken or planned, and actual or target dates for completion. For disagreement, action entities must include reasons for disagreement, and any alternative proposals for corrective action.
3. Action entities should also indicate in the response that they have sought and received the concurrence of the assigned coordinating entities.
4. If questioned or unsupported costs are identified, state the amount that is determined to be disallowed and the plan to collect the disallowed funds. If funds put to better use are identified, then state the amount that can be put to better use (if these amounts differ from OIG's, state the reason).
5. Implementation of informal recommendations is expected, however, a written response is not required.

### Coordinating Entities

1. Coordinating entities are not required to initiate action on recommendations. Coordinating entities are to be consulted by the assigned action entity for concurrence on a proposed action to implement the recommendation.
2. However, in the event that a coordinating entity disagrees with an action entity's proposed plan of action, the coordinating entity is encourage, but not obliged, to submit a response to OIG for consideration in OIG's analysis on whether the cited action meets the intent of the recommendation.

## **OIG Analysis of Response**

1. If OIG concurs with a response to a recommendation, it will note, in the analysis correspondence, that it concurs with the action entity's management decision. And, OIG will indicate whether the recommendation is closed for acceptable implementation or indicate its status as resolved/open if action is still pending and assign a follow-on suspense for a compliance update. Implementation measures will be tracked until final action is accomplished and the recommendation is closed.
2. If OIG does not concur with the action office's proposed corrective action, or if the action office fails to respond to a recommendation or rejects it, OIG will identify the recommendation as unresolved. OIG will attempt to resolve the disagreement at the action office level. However, if OIG determines that an impasse has been reached, it will refer the matter for adjudication as outlined in 1 FAM 056.1, 1 FAM 053.2-2, and 1 FAM 056.2-1(l).
3. In accordance with the Inspector General Act of 1978, as amended, OIG is required to report to Congress semiannually on April 1 and October 1 of each year, a summary of each OIG report issued for which no management decision was made during the previous 6-month period. Heads of agencies are required to report to Congress on significant recommendations from previous OIG reports where final action has not been taken for more than one year from the date of management decision, together with an explanation of delays.