

FY 2010 OIG Recovery Act Plan Overview (updated May 2010)

OIG Name:	Department of State (including the U.S. Section of the International Boundary and Water Commission (USIBWC))
OIG Broad Recovery Act Goals:	The overall objectives of OIG's oversight of Department of State Recovery Act funds are to ensure: 1) timely, effective implementation of Recovery Act projects and activities in compliance with ARRA requirements; 2) timely, accurate reporting on the use of Recovery Act funds and the progress of ARRA-funded projects and activities; 3) establishment of proper internal control procedures to mitigate instances of fraud, waste, error, and abuse; and 4) confirmation that contractors and other fund recipients meet eligibility requirements and comply with award requirements.
OIG Broad Training and Outreach Recovery Act Goals:	OIG has initiated an ongoing dialogue with Department and USIBWC managers and coordinators responsible for Recovery Act implementation, providing targeted information on fraud awareness, contract/procurement best practices, and internal controls. Hotline posters and publications and OIG's Internet and intranet Web sites are being updated to highlight and facilitate Hotline reporting of waste, fraud, abuse, and mismanagement related to the Recovery Act funding and projects. Fraud awareness briefings are being expanded and focused to highlight fraud indicators and vulnerabilities specific to Recovery Act. OIG is an active participant in RATB Working Group activities and coordinates across the Inspector General and oversight communities on Recovery Act oversight initiatives.
OIG Recovery Act Risk Assessment Process:	To ensure effective identification, monitoring, and mitigation of the major financial and programmatic risks related to Recovery Act funds, OIG has met with senior managers responsible for Department ARRA coordination and individual bureaus receiving Recovery Act funds to gain an understanding of the Department's implementation plans and determine where control weaknesses may exist. OIG holds periodic consultations with the Office of the Under Secretary for Management (M/PRI) and the Chief Financial Officer (CFO) to coordinate overall Recovery Act oversight, including the receipt of regular reports on the current status of funds obligated and expended. Based on these consultations, information provided by the Department and IBWC, and an internal analysis of the Department and IBWC implementation plans, OIG has identified the most significant programs upon which to focus its oversight efforts. Initial oversight projects include audits and inspections to: 1) assess the overall controls that the Department and USIBWC have in place to track and report Recovery Act funds, and 2) highlight key challenges, including the adequacy of procurement personnel, facing the Department in overseeing ARRA-funded programs and projects.
OIG Recovery Act Funds:	\$2,000,000
Expiration Date of OIG Recovery Act Funds:	30-Sep-10
OIG Recovery Act Funds Allocated to Contracts:	Yes
Purpose of Recovery Act Contracts:	Contractors will be used to augment existing OIG staff, as necessary, and to provide specialized subject matter expertise not available in-house (e.g., architects and engineers).
Types of Recovery Act Contracts Awarded to Date:	OIG has awarded 10 contracts to conduct performance audits and other reviews of Department and USIBWC ARRA-funded projects.
Link to OIG Recovery Act Work Plan:	http://oig.state.gov/arra/plansreports/index.htm

OIG FY 2010 Recovery Act Work Plan
(updated December 2010)

Agency	Program Area	Recovery Act Funds Associated w/Program Area	Type of Review	Entity Performing Review	Project Title	Background	Objective	Review Included on Prior Recovery Act Plan (Y/N)	Expected Quarter Work Begins	Expected Quarter(s) Reports Issued	Expected Number of Reports
State Dept.	Bureau of Diplomatic Security	\$70 million	Administrative / Financial	Contractor	Audit of Hard Skills Training Center Construction -- Site Development and Contract Competition	Total project cost is \$105.5 million, of which \$70 million is from ARRA funds. ARRA and other Department funds will be used to develop a master plan and an Architectural & Engineering (A&E) study to frame the project scope cost and timelines. After the scope and timelines have been established then open source competitions will be used for site selection and contract awards.	For A&E and other contracts: Were funds awarded and distributed in a prompt, fair, and reasonable manner? Was a small business plan developed (including cost sharing arrangements) and were awards made competitively and based on the plan? Were the recipients and uses of all funds are transparent to the public, and were the public benefits of these funds reported clearly, accurately, and in a timely manner? Has the program assessed and identified the risks associated with the projects receiving Recovery Act funding and communicated the results to the Department? Were funds used for authorized purposes? Has the program taken action to identify and mitigate instances of fraud, waste, error, and abuse? Were established schedules monitored and delays properly justified? Were cost overruns and unnecessary delays avoided and lessons learned identified to prevent reoccurrence? Were program goals and specific program outcomes achieved? Were Department standard processes and procedures for construction of facilities followed? Is there verification that contractors and other fund recipients met eligibility requirements and complied with award requirements?	Yes	Qtr. III 2010	Qtr. III 2011	1
State Dept.	Bureau of Consular Affairs	\$15 million	Administrative / Financial	Contractor	Audit of Consular Affairs Passport Facilities	The Department is constructing five new passport agencies (Vermont, Buffalo, El Paso, Atlanta, and San Diego) and expanding two existing locations (Portsmouth and Hot Springs), at a total cost of \$15 million.	For each of the five locations: Were funds awarded and distributed in a prompt, fair, and reasonable manner? Was a small business plan developed (including cost sharing arrangements) and were awards made competitively and based on the plan? Were the recipients and uses of all funds are transparent to the public, and were the public benefits of these funds reported clearly, accurately, and in a timely manner? Has the program assessed and identified the risks associated with the projects receiving Recovery Act funding and communicated the results to the Department? Were funds used for authorized purposes? Has the program taken action to identify and mitigate instances of fraud, waste, error, and abuse? Were established schedules monitored and delays properly justified? Were cost overruns and unnecessary delays avoided and lessons learned identified to prevent reoccurrence? Were program goals and specific program outcomes achieved? Were Department standard processes and procedures for construction of facilities followed? Is there verification that contractors and other fund recipients met eligibility requirements and complied with award requirements?	Yes	Qtr. III 2010	Qtr. III 2011	1

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State Dept.	National Foreign Affairs Training Center	\$5 million	Administrative / Financial	Contractor	Audit of National Foreign Affairs Training Center Construction projects	The Department is constructing and/or renovating classrooms and providing other infrastructure upgrades.	Were funds awarded and distributed in a prompt, fair, and reasonable manner? Was a small business plan developed (including cost sharing arrangements) and were awards made competitively and based on the plan? Were the recipients and uses of all funds are transparent to the public, and were the public benefits of these funds reported clearly, accurately, and in a timely manner? Has the program assessed and identified the risks associated with the projects receiving Recovery Act funding and communicated the results to the Department? Were funds used for authorized purposes? Has the program taken action to identify and mitigate instances of fraud, waste, error, and abuse? Were established schedules monitored and delays properly justified? Were cost overruns and unnecessary delays avoided and lessons learned identified to prevent reoccurrence? Were program goals and specific program outcomes achieved? Were Department standard processes and procedures for construction of facilities followed? Is there verification that contractors and other fund recipients met eligibility requirements and complied with award requirements?	Yes	Qtr. III 2010	Qtr. II 2011	1
State Dept.	Bureau of Information Resources	\$120 million	Administrative / Financial	Contractor	Audit of Enterprise Data Center Program	The data center program will build an enterprise data center in the western U.S. and consolidate all domestic Department servers into four enterprise data centers in the U.S. The program will provide a highly available, scalable, and redundant data center infrastructure that will substantially reduce the Department's risk of IT failure and provide for future IT growth. Construction for the facilities should begin about September 2011 for 18 months, and the centers should begin operations about May 2012.	A report will be issued for the four centers and a capping report on audit results and an additional objective identifying barriers to the centers. In addition, we will review planning for potential future project phases and determine the impact if future funding is not forthcoming. Specific objectives include: Were funds awarded and distributed in a prompt, fair, and reasonable manner? Was a small business plan developed (including cost sharing arrangements) and were awards made competitively and based on the plan? Were the recipients and uses of all funds are transparent to the public, and were the public benefits of these funds reported clearly, accurately, and in a timely manner? Has the program assessed and identified the risks associated with the projects receiving Recovery Act funding and communicated the results to the Department? Were funds used for authorized purposes? Has the program taken action to identify and mitigate instances of fraud, waste, error, and abuse? Were established schedules monitored and delays properly justified? Were cost overruns and unnecessary delays avoided and lessons learned identified to prevent reoccurrence? Were program goals and specific program outcomes achieved? Were Department	Yes	Qtr. III 2010	Qtr. II 2011	1

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State Dept.	Bureau of Information Resources	\$10 million	Administrative / Financial	OIG Staff	Audit of the Diplomatic Facility Telephone Systems Replacement	The Department will replace antiquated telephone systems at a number of overseas diplomatic missions. Many of the current systems are 13-15 years old and have been expanded to maximum capacity. In addition, systems have experienced increased maintenance requirements by qualified technicians at significant cost. This replacement will bring the Department closer to achieving the industry standard life-cycle replacement of 10 years.	Were funds awarded and distributed in a prompt, fair, and reasonable manner? Was a small business plan developed (including cost sharing arrangements) and were awards made competitively and based on the plan? Were the recipients and uses of all funds are transparent to the public, and were the public benefits of these funds reported clearly, accurately, and in a timely manner? Has the program assessed and identified the risks associated with the projects receiving Recovery Act funding and communicated the results to the Department? Were funds used for authorized purposes? Has the program taken action to identify and mitigate instances of fraud, waste, error, and abuse? Were established schedules monitored and delays properly justified? Were cost overruns and unnecessary delays avoided and lessons learned identified to prevent reoccurrence? Were program goals and specific program outcomes achieved? Were Department standard processes and procedures for construction of facilities followed? Is there verification that contractors and other fund recipients met eligibility requirements and complied with award requirements?	Yes	Qtr. III 2010	Qtr. II 2011	1
State Dept.	Bureau of Information Resources	\$64.2 million	Administrative / Financial	Contractor	Audit of Department of State Computer Security	The Department is initiating a major program to reduce the potential for successful cyber attacks against the Department and overseas against the foreign affairs community. The program will fund technical initiatives to strengthen the Department's infrastructure network to better protect information on U.S. citizens and national security. In addition, the Department plans to initiate a number of computer security system enhancements worldwide.	Were funds awarded and distributed in a prompt, fair, and reasonable manner? Was a small business plan developed (including cost sharing arrangements) and were awards made competitively and based on the plan? Were the recipients and uses of all funds are transparent to the public, and were the public benefits of these funds reported clearly, accurately, and in a timely manner? Has the program assessed and identified the risks associated with the projects receiving Recovery Act funding and communicated the results to the Department? Were funds used for authorized purposes? Has the program taken action to identify and mitigate instances of fraud, waste, error, and abuse? Were established schedules monitored and delays properly justified? Were cost overruns and unnecessary delays avoided and lessons learned identified to prevent reoccurrence? Were program goals and specific program outcomes achieved? Were Department standard processes and procedures for construction of facilities followed? Is there verification that contractors and other fund recipients met eligibility requirements and complied with award requirements?	Yes	Qtr. III 2010	Qtr. III 2011	2

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State Dept.	Bureau of Information Resources	\$13 million	Administrative / Financial	OIG Staff	Audit of Desktop Computer Replacements	The Department will replace antiquated computers used to process classified and unclassified information domestically and at 285 overseas embassies and consulates. The primary goal will be to bring the Department's desktop computers up to the required standards to execute the diplomatic mission worldwide. The new computers and expanded services will increase operational efficiencies, lower overall maintenance costs, and strengthen the security posture for computer systems throughout the Department.	Were funds awarded and distributed in a prompt, fair, and reasonable manner? Was a small business plan developed (including cost sharing arrangements) and were awards made competitively and based on the plan? Were the recipients and uses of all funds are transparent to the public, and were the public benefits of these funds reported clearly, accurately, and in a timely manner? Has the program assessed and identified the risks associated with the projects receiving Recovery Act funding and communicated the results to the Department? Were funds used for authorized purposes? Has the program taken action to identify and mitigate instances of fraud, waste, error, and abuse? Were established schedules monitored and delays properly justified? Were cost overruns and unnecessary delays avoided and lessons learned identified to prevent reoccurrence? Were program goals and specific program outcomes achieved? Were Department standard processes and procedures for construction of facilities followed? Is there verification that contractors and other fund recipients met eligibility requirements and complied with award requirements?	Yes	Qtr. III 2010	Qtr. II 2011	1
State Dept.	Bureau of Information Resources	\$10.5 million	Administrative / Financial	Contractor	Audit of Improvements to the Department of State's Mobile Computing Platform	This project will provide technological improvements to the Department of State Mobile Computing platform, increase the number of employees that have mobile access, and ensure continuity of operations for services such as Passport, Visa, and American Citizen Services. This project contains two parallel initiatives designed to expand remote access beyond the current 16,000 employees. The first initiative will provide all new direct-hire employees (approximately 5,000) remote access capabilities in FY 2009 using the current systems. The second initiative will overhaul the existing Mobile Computing platform to provide full access to the Department of State's unclassified resources and applications.	The overall objective is to evaluate Department plans, risk assessment of information assets, and justifications to fund the Mobile Computing Program that will provide technological improvements to the Department's worldwide Mobile Computing platform.	Yes	Qtr. III 2010	Qtr. III 2011	1

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State Dept.	Dept-wide	\$600 million	Administrative / Financial	Contractor	Audit of the Department of State Compliance with Federal Procurement Data System Reporting Requirements for Funding provided through the American Recovery and Reinvestment Act of 2009	In previous audit work on Department procurement and reporting procedures, an independent public accounting firm determined that Department contracts funded by the Recovery Act were not accurately reported to the Federal Procurement Data System (FPDS). Therefore, data quality standards have not been met in accordance with the Recovery Act and the Federal Acquisition Regulation (FAR). According to the Recovery Act, and consistent with the FAR, all Federal award data must be publicly accessible, including all contract actions exceeding the micro-purchase threshold, and any modifications to those actions that change previously reported contract action report data, regardless of dollar value and not specifically excluded in FAR 4.606. The Department's Chief Financial Officer has requested this work.	The audit will test the FPDS-Next Generation (NG) certifications and will focus on the most recent information available. Department guidelines state that all procurement actions must be finalized in FPDS within 3 days of award. Specific objectives include: Were funds awarded and distributed in a prompt, fair, and reasonable manner? Was a small business plan developed (including cost sharing arrangements) and were awards made competitively and based on the plan? Were the recipients and uses of all funds are transparent to the public, and were the public benefits of these funds reported clearly, accurately, and in a timely manner? Has the program assessed and identified the risks associated with the projects receiving Recovery Act funding and communicated the results to the Department? Were funds used for authorized purposes? Has the program taken action to identify and mitigate instances of fraud, waste, error, and abuse? Were established schedules monitored and delays properly justified? Were cost overruns and unnecessary delays avoided and lessons learned identified to prevent reoccurrence? Were program goals and specific program outcomes achieved? Were Department standard processes and procedures for	No	Qtr. III 2010	Qtr. II 2011	1
State Dept.	U.S. Section of the International Boundary and Water Commission	\$220 million	Administrative / Financial	Contractor	Audits of the International Boundary and Water Commission: Contractor and Other Sub-Recipient Compliance with Recovery Act Provisions for Labor and Financial Management Requirements	The U.S. Section of the International Boundary and Water Commission (USIBWC) received \$220 million in ARRA funds. These funds are planned for upgrading the Rio Grande Flood Control System infrastructure along 506 miles of flood control levees maintained by USIBWC along the Upper and Lower Rio Grande River.	This audit will evaluate contractor and other sub-recipient compliance with Recovery Act provisions for labor and financial management requirements for IBWC construction contracts. A series of contracts will be audited by multiple Independent Government Accountants (Certified Public Accountants) to verify that contractors and other fund recipients meet eligibility requirements and comply with award requirements including the adequacy of documentation for 1) Buy American requirements under Section 1605 of the Recovery Act, 2) Davis-Bacon Act wage requirements under Section 1606 of the Recovery Act, 3) Financial Management reporting requirements under Section 1512 of the Recovery Act, and 4) Contract procurement compliance for sub-recipients and sub-contractor awards	No	Qtr. III 2010	Qtrs. II and III 2011	9