Office of Audits

FY 2013 Performance Plan

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

Office of Inspector General

Table of Contents

Message From the Assistant Inspector General for Audits 1

Introduction 1

Our Mission, Vision, and Core Values 2
Our Statutory Responsibilities 3
Our Organization 3
Our Stakeholders 5
Our General Means and Strategies 5
Our Strategic Goals, Strategies, and Performance Indicators 6
Our Methodology for Investing Resources 9

Our Fiscal Year 2013 Performance Plan 14

Audit Directorate
- Contracts and Grants 14
- Financial Management 15
- Human Capital and Infrastructure 18
- Information Technology 19
- Security and Intelligence 21

Middle East Region Operations Directorate
- Iraq 22
- Afghanistan 23
- Pakistan 24
- Other Locations 24

Message From the Assistant Inspector General for Audits

I am pleased to present the Office of Audits performance plan for fiscal year (FY) 2013. 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 2012

Introduction

The Office of Audits has a leading role in helping the Department and the Broadcasting Board of Governors (BBG) improve management; strengthen integrity and accountability; and ensure the most efficient, effective, and economical use of resources. Our activities are global in scope, supporting the highest priorities of the Department. Our oversight extends to the Department's and BBG's 70,000+ employees and more than 280 missions and other facilities worldwide, funded through a combined annual appropriation of more than $17 billion and $2.4 billion in fee-based resources. We also provide oversight for the United States Section, International Boundary and Water Commission (IBWC). 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.

> "I have often told OIG employees that we have the best jobs in the Federal Government because we are paid to tell the truth. Our body of work . . . is the true objective measure of our independence and effectiveness." — *Harold W. Geisel, Deputy Inspector General, April 2011*

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.

> "We are the Department's best friend because we tell it what it needs to hear, which is not always what it wants to hear. When we perform oversight, we call it as we see it. OIG's reports clearly demonstrate that OIG is an independent and responsive oversight organization." — *Harold W. Geisel, Deputy Inspector General, April 2011*

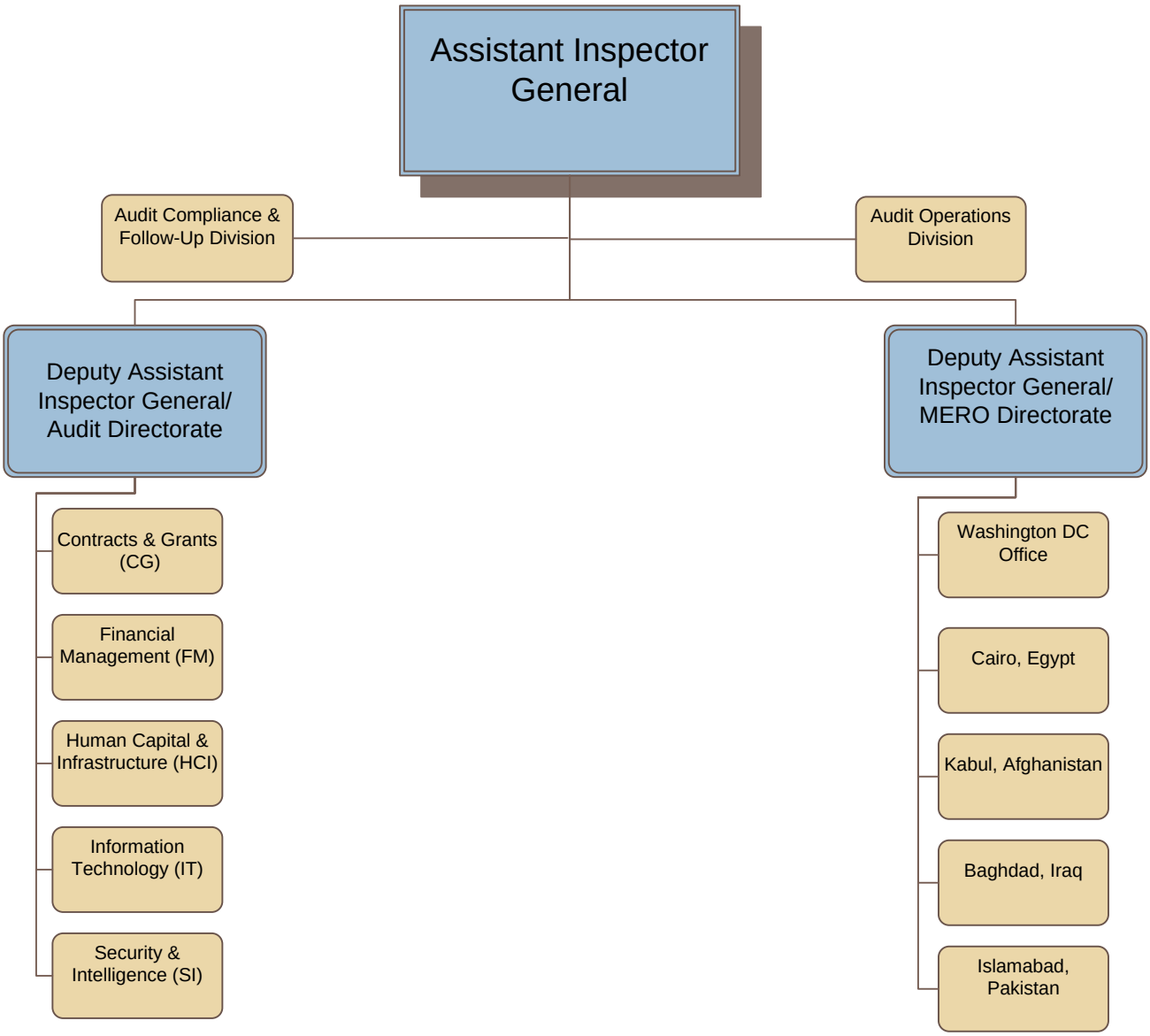
Our Organization

The Office of Audits consists of two Directorates, an audit operations division, and an audit compliance and followup division. The Deputy Assistant Inspector General for Audits is responsible for the Audit 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 Middle East Region Operations (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 and the Audit Compliance and Followup Division (ACFD) report directly to the Assistant Inspector General for Audits. Audit Operations is responsible for our quality control operations; performing workforce planning and analysis; developing and managing our budget; recruiting, training, and retaining qualified auditors and analysts. ACFD is responsible for coordinating, tracking, and reporting compliance with the recommendations we offer to further demonstrate the degree to which our oversight efforts have resulted in more effective, efficient, and/or economical operations.

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 2013 plan recognizes the Department's High Priority Performance Goals to include Global Security; Management-Building-Civilian Capacity; Democracy, Good Governance, and Human Rights; 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 2013 target is 87 percent.**

1-2. Percentage of Office of Audits 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 2013 target is 97 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, recoveries 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 2013 target is $16.5 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 the end of FY 2010, the Office of Audits has successfully recruited and hired 24 employees to fill vacant positions. Our goal in FY 2013 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 and 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,** program risk**,** and Government Accountability Office (GAO) High Risk Issues for FY 2013, (3) the Department's **allocation of resources by strategic goal,** 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 13 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 Chief Financial Officers Act 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 International Boundary and Water Commission [Financial Management Division]
4. Audit of the Broadcasting Board of Governors Compliance With the Improper Payments Information Act [Financial Management Division]
5. Audit of the Department of State Compliance With the Improper Payments Information Act [Financial Management Division]
6. FISMA Audit of the Department of State Information Security Program [Information Technology Division]
7. FISMA Audit of the Broadcasting Board of Governors Information Security Program [Information Technology Division]
8. FISMA Audit of the Intelligence Community's Information Security Program [Information Technology Division]
9. FISMA Audit of the International Boundary and Water Commission Information Security Program [Information Technology Division]
10. 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]
11. OMB Circular A-133 – Quality Control Review of Single Audits [Contracts and Grants Division]

12. OMB Circular A-133 – Single Audit Act Initial (Desk) Reviews [Contracts and Grants Division]
13. Audit of the National Endowment for Democracy [Contracts and Grants Division]

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, managing for results, promoting accountability, and unifying 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[1] and GAO High Risk Issues. Our investment of resources also recognizes Strategic Communications and Technology employed by BBG.

> "The first Quadrennial Diplomacy and Development Review (QDDR) provides a blueprint for elevating American civilian power to advance our national interests and improve the efficiency, effectiveness, and overall accountability of the Department of State and the United States Agency for International Development (USAID).
>
> Since the release of the QDDR, we have taken a number of steps to implement its recommendations. We have incorporated the advice and guidance we received from our Ambassadors as a result of the first Global Chiefs of Mission Conference, including how further to support their role as CEOs of a multi-agency mission and implement the overall package of reforms. We are already implementing a number of specific recommendations, including reforms through *USAID Forward*, changes to IT platforms, reforms to our contracting and procurement policies, and enhanced planning and budgeting processes. Significantly, we also are seeking, in this challenging budget environment, to ensure the priorities and objectives of the QDDR are reflected in the FY 2012 budget negotiations and clearly set forth in the guidance for FY 2013 budget planning."
>
> Hillary Rodham Clinton
> *Secretary of State*
> *April 2011*

[1] Source: Department of State, FY 2013 Congressional Budget Justification, Vol. 1: Department of State Operations.

Figure 1

QDDR Themes: *Leading Through Civilian Power*	High Priority Performance Goals/ GAO High Risk Issues	Lead Bureaus/ Offices
1. Diplomacy for the 21st Century **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.**	• **Global Health** • **Addressing HIV/AIDS Challenges** • **Global Security-Nuclear Nonproliferation** • **Climate Change** • **Afghanistan and Pakistan** • **Iraq** • **Economic Statecraft** • *Strategic Communications and Technology* • **Fostering Public Diplomacy & International Broadcasting**	**S/GAC, OES, S/GWI** **ISN, PM, AVC, INL, S/CT** **S/SECC, OES, EEB** **S/SRAP, DRL, INL, NEA, OBO** **EB** **BBG**
2. Transforming Development to Deliver Results **Focusing our investments,** **Practice High-Impact Development,** **Rebuilding United States Agency for International Development as the preeminent global development institution, and** **Transforming the Department's support for development.**	• **Democracy, Good Governance, and Human Rights** • **Sustaining Counternarcotics Activities** • **Enhancing Democracy & Human Rights** • **Reforming United Nations Management** • **Implementing Millennium Challenge Compacts**	**DRL, S/GWI, J/TIP, EEB, INL, OES, F**
3. Preventing and Responding to Crises and Conflicts **Embracing and executing conflict prevention and response as a core civilian mission and** **Building capability to reform security and justice sectors**	• **Food Security** • **Maximizing Humanitarian Assistance** • **Stabilizing Regional Conflicts**	**S/P, RM, EEB, OES**
4. Working Smarter **Building a 21st Century Workforce,** **Managing contracting and procurement better to achieve our missions, and** **Planning and budgeting for results.**	• **Management-Building Civilian Capacity** • **Strengthening Visa & Passport Operations** • **Addressing Staffing Challenges**	**HR/RMA, S/CRS, INL, RM, S/CT**

Allocation of Department Resources by Strategic Goal

Figure 2 depicts the Department and United States Agency for International Development (USAID) Joint Strategic Goals with the percentage and amount of financial resources requested by the Department in FY 2013 to support each goal.[2] Thirty seven percent of the FY 2013 budget request supports Strategic Goal 1. Strategic Goal 1 combined with Strategic Goal 7 account for 66 percent of the Department's FY 2013 operations request.[3]

Figure 2

Department of State-USAID Joint Strategic Goals	Percentage of Total Requested	Amount Requested ($ in thousands)
Strategic Goal 1: Counter threats to the United States and the international order, and advance civilian security around the world.	37%	$6,446,121
Strategic Goal 2: Effectively manage transitions in the front-line states.	10%	$1,707,094
Strategic Goal 3: Expand and sustain the ranks of prosperous, stable, and democratic states by promoting effective, accountable, democratic governance; respect for human rights; and sustainable, broad-based economic growth and well-being.	10%	$1,683,679
Strategic Goal 4: Provide humanitarian assistance and support disaster mitigation.	3%	$581,394
Strategic Goal 5: Support American prosperity through economic diplomacy.	2%	$400,953
Strategic Goal 6: Advance U.S. interests and universal values through public diplomacy and programs that connect the United States and Americans to the world.	9%	$1,670,562
Strategic Goal 7: Build a 21st Century workforce; achieve U.S. Government operational and consular efficiency and effectiveness, transparency and accountability, and a secure U.S. Government presence internationally.	29%	$5,383,145
	100%	**$17,872,948**

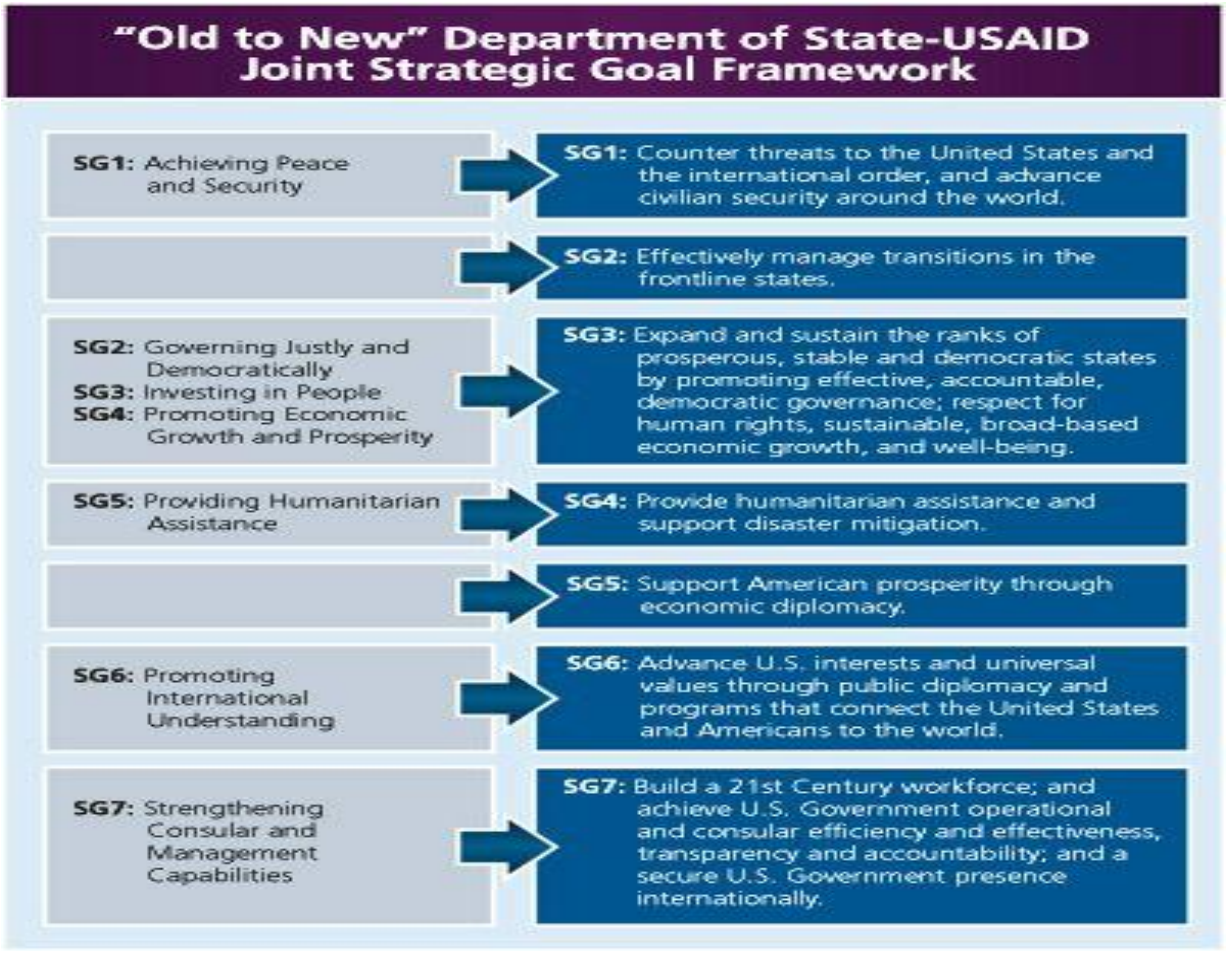
[2] Source: Department of State, FY 2013 Congressional Budget Justification, Vol. 1: Department of State Operations.

[3] Resources allocated by strategic goal include all appropriated funds, except Office of Inspector General, International Commissions, Buying Power Maintenance, Foreign Service National Separation Liability Trust Fund Payment, and Foreign Service Retirement and Disability Fund.

Holistic Audit Attention

In FY 2013, 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 Bureaus of Administration (A); Information Resource Management (IRM); Counterterrorism (CT); International Security and Nonproliferation (ISN); Democracy, Human Rights and Labor (DRL); and Conflict and Stabilization Operations (CSO). 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 Department of State's transition from the Old to the New Strategic Goal Framework. Our holistic oversight approach corresponds with this revised framework, as well as the Department's continuing mission in the front-line states of Iraq, Afghanistan, and Pakistan.

Figure 3



Source: U.S. Department of State Fiscal Year 2011 Agency Financial Report.

Audit Directorate

Contracts and Grants

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
Domestic and Overseas Bureaus, BBG /CG	OMB Circular A-133 – Quality Control Review of Single Audits OMB Circular A-133 – Single Audit Act Initial (Desk) Reviews	Pursuant to the requirements of OMB Circular A-133, to provide selected Single Audit Act Desk Reviews that can identify questioned costs for repayment to the Department and BBG.	Mandatory	June 2012
Department, BBG /CG	Audit of Premium Travel at the Broadcasting Board of Governors (BBG)	To determine whether the BBG is in compliance with Federal regulations and travel guidance for premium travel.	Program Risk	August 2012
Overseas Bureaus, OBO, A /CG	Audit of Construction Contracts for Selected Department of State Projects (Carryover)	To determine whether construction contracts for selected major Department construction projects are complying with Federal regulations and Department guidance.	High Priority Performance Goal Management	September 2012
NEA, SCA, AF, PRM /CG	Audit of Selected Overseas Refugee Assistance Programs (Carryover)	To determine whether selected international and grantee organizations for the Overseas Refugee Assistance Program are complying with grant terms and conditions.	High Priority Performance Goal Management	October 2012
A,RM, PM AQM /CG	Audit of Department of State Placement and Training of Contracting Officer's Representatives	To determine to what extent the Department's Contracting Officer's Representatives have been positioned and trained to support the Department's global mission.	High Priority Performance Goal Management	March 2013

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
A,RM, AQM /CG	Audit of Department of State Progress to Reduce Reliance on Contractors	To determine to what extent the Department's approach of turning to the expertise of other Federal agencies before engaging private sector contractors has been effective.	High Priority Performance Goal Management	April 2013
A /CG	Audit of Department of State Contract Incentive Fees	To determine to what extent and manner incentive fees have been applied to Department contract awards and whether they have been properly linked to acquisition and performance outcomes per Department guidance.	High Priority Performance Goal Management	June 2013

Financial Management

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
Department /FM	Audit of Department of State FY 2012 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 2012
BBG /FM	Audit of BBG FY 2012 Financial Statements (Carryover)	To determine whether the financial statements and related notes are presented fairly, in all material respects, in conformity with the accounting principles generally accepted in the United States.	Mandatory	June 2012
IBWC /FM	Audit of International Boundary and Water Commission's (IBWC) FY 2012 Financial Statements (Carryover)	To determine whether the financial statements and related notes are presented fairly, in all material respects, in conformity with the accounting principles generally accepted in the United States.	Mandatory	June 2012

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
A /FM	Audit of the Bureau of Administration Use of the Procurement Surcharge (Carryover)	To determine whether the surcharge related to acquisitions has improved the efficiency and effectiveness of acquisition management and improved customer service.	High Priority Performance Goal Management	June 2012
Department /FM	Department of State Compliance with the Improper Payments Improvement Act	To determine whether the Department is in compliance with the Improper Payments Improvement Act, as amended.	Mandatory	December 2012
BBG /FM	BBG Compliance with the Improper Payments Improvement Act	To determine whether BBG is in compliance with the Improper Payments Improvement Act, as amended.	Mandatory	December 2012
INL, RM /FM	Review of DOS FY 2012 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 2012 accounting of drug control funds and related performance in compliance with ONDCP guidance.	Mandatory	December 2012
Department /FM	Audit of Department of State FY 2013 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 2013

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
BBG /FM	Audit of BBG FY 2013 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 2013
RM /FM	Audit of Department of State Management of Vendors in the Accounting System	To determine whether the Department has made payments to vendors on the "Do Not Pay" list and to determine to what extent vendors in the accounting system are valid and needed.	High Priority Performance Goal Management	January 2013
IBWC /FM	Audit of International Boundary and Water Commission's (IBWC) FY 2013 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	May 2013
L /FM	Audit of Department of State Process to Develop a Consolidated List of Open Litigation	To determine whether the Department has an effective process to develop and oversee a consolidated list of open litigation that could impact the Department's financial statements.	Program Risk	June 2013
RM /FM	Audit of Expired and Cancelled Funds	To determine whether obligations made against expired funds are made in accordance with budget authority and to determine the reasons that bureaus are not using funds within the deadlines of the appropriation.	High Priority Performance Goal Management	July 2013

Human Capital and Infrastructure

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
HR /HCI	Audit of Department of State Personnel Disciplinary Actions	To determine to what extent the Department's personnel disciplinary actions are appropriate in nature, consistently applied within the Department, and comply with Federal guidelines.	High Priority Performance Goal Building Civilian Capacity	July 2012
INL /HCI	Audit of the Department of State Contributions and Performance Results for the Merida Initiative	To determine to what extent the Department's contributions to the Merida Initiative have been administered in accordance with applicable Federal laws and Department guidance and whether stated performance goals have been achieved.	GAO High Risk Sustaining Counternarcotics Activities	October 2012
MED /HCI	Audit of Foreign Service Medical Officers' Internal Controls of Medical Supplies, Controlled Substances, and Prescription Drugs at Select Posts	To determine to what extent the Department's medical health units are effectively administering internal controls over the ordering, receipt, storage, and disposition of medical supplies, controlled substances, and prescription drugs.	High Priority Performance Goal Management	February 2013
A /HCI	Audit of Department of State Expedited Logistics Program	To determine to what extent the Expedited Logistics Program has been effective in providing posts with easy, fast, and cost effective methods to obtain commonly used items.	High Priority Performance Goal Management	May 2013
OBO, A, AQM /HCI	Audit of the Design and Construction of New Embassy Compound London	To determine to what extent contracts for the design and construction of New Embassy Compound (NEC) London followed Federal construction regulations and Department guidance.	High Priority Performance Goal Management	September 2013

Information Technology

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 (Carryover)	To determine whether the Department has securely implemented active directory services to prevent outside cyber attacks and to what extent the Department has implemented effective security controls across the enterprise.	Program Risk	August 2012
IRM /IT	Audit of Department of State Data Center Security and Consolidation (Carryover)	To determine whether the Department has instituted security controls that are appropriate to its data centers and what progress has been made with the data center consolidation mandate.	Program Risk	September 2012
IRM /IT	Audit of Department of State System Development Life Cycle (SDLC) Process (Carryover)	To determine to what extent (1) the Department's System Development Life Cycle (SDLC) policies and procedures adequately address Federal requirements and information technology best practices governing the SDLC process; and (2) Information security and management controls are addressed at each stage of the SDLC.	Program Risk	January 2013
IRM, DS /IT	Audit of the Information Security Program at the Department of State	To evaluate the effectiveness of security controls and techniques for selected information systems and compliance with Federal Information Security Management Act (FISMA) and related information security policies, procedures, standards, and guidelines.	Mandatory	March 2013

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
IBWC /IT	Audit of the Information Security Program at the International Boundary and Water Commission (IBWC)	To evaluate the effectiveness of security controls and techniques for selected information systems and compliance with Federal Information Security Management Act (FISMA) and related information security policies, procedures, standards, and guidelines.	Mandatory	March 2013
BBG /IT	Audit of the Information Security Program at the Broadcasting Board of Governors (BBG)	To evaluate the effectiveness of security controls and techniques for selected information systems and compliance with Federal Information Security Management Act (FISMA) and related information security policies, procedures, standards, and guidelines.	Mandatory	April 2013
RM, DS, IRM, CA, A, HR /IT	Audit of Department of State Wireless Networks	To determine whether the Department has securely implemented wireless networks to prevent outside cyber attacks and to what extent the Department has implemented effective security controls through the enterprise.	Program Risk	May 2013
DS,INR /IT	Audit of the Information Security Program for Sensitive Compartmented Information (SCI) Systems at the Department of State	To evaluate the effectiveness of security controls and techniques for SCI systems and compliance with Department policies and with Federal Information Security Management Act (FISMA) and related information security policies, procedures, standards, and guidelines.	Mandatory	July 2013
RM, DS, IRM, CA, A, HR /IT	Audit of Department of State Contingency Plans for Enterprise Systems and Applications	To determine to what extent the Department has developed and tested contingency plans for enterprise systems and applications.	Program Risk	August 2013

Security and Intelligence

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
DS, OBO, RM /SI	Audit of Department of State Compliance With Physical Security Standards and Measures Taken To Address Threat Levels at Selected Overseas Posts (Carryover)	To determine whether select New Embassy and Consulate Compounds with high-threat levels are in compliance with physical security standards, and whether officials at these posts have efficiently aligned resource plans with mission requirements and have used available authorities to effectively implement the post security program.	Program Risk	April 2012
T, ISN, CT /SI	Audit of Department of State Administration of Nonproliferation and Threat Reduction Programs (Carryover)	To determine whether the Department has implemented internal controls to effectively monitor and measure Nonproliferation and Threat Reduction assistance.	High Priority Performance Goal Global Security	September 2012
DS, IRM /SI	Audit of Bureau of Diplomatic Security Implementation of Interoperable Communications at Overseas Posts (Carryover)	To determine the Department's progress in implementing interoperable communications among strategic partners at overseas posts.	Program Risk	December 2013
T, PM, EEB /SI	Audit of Department of State Actions To Address the Challenges of Maritime Piracy (Carryover)	To determine to what extent the Department has advanced its goals and objectives in combating maritime pirate attacks emanating from Africa.	High Priority Performance Goal Global Security	May 2013
DRL, INL, CSO, GCJ /SI	Audit of the Department of State Integration of Security and Justice Sector Assistance	To determine to what extent the Department has progressed in integrating security and justice sector assistance and has effectively linked the assistance to development by emphasizing host nation's ownership of programs.	GAO High Risk Stabilizing Regional Conflicts	August 2013

Middle East Region Operations Directorate

Iraq

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
Embassy Baghdad, NEA, MED, AQM /MERO	Audit of Department of State Management of Medical Operations Supporting Personnel Assigned to Iraq (Carryover)	To determine whether the Department's management of medical operations dedicated to supporting personnel assigned to Iraq has been effective and properly resourced.	High Priority Performance Goal Iraq	October 2012
Embassy Baghdad, DS, AQM /MERO	Audit of the Worldwide Protective Services (WPS) Task Order for Kirkuk/Mosul Task Order (Carryover)	To determine whether the Department's administration and oversight of the WPS task order for Kirkuk/Mosul has been effective.	High Priority Performance Goal Iraq	April 2013
Embassy Baghdad, NEA, INL, AQM /MERO	Audit of Civilian Assistance Programs in Iraq	To determine whether the Department's administration and oversight of civilian assistance programs are effective and whether the programs are achieving stated program objectives.	High Priority Performance Goal Iraq	March 2013
Embassy Baghdad, NEA, INL, AQM /MERO	Audit of the Bureau of International Narcotics and Law Enforcement Affairs Air Wing Program in Iraq	To determine whether the Air Wing Program in Iraq is achieving its stated objectives, contractor performance is adequately monitored, and that costs charged by the contractor are consistent with the contract terms and conditions.	High Priority Performance Goal Iraq	August 2013
Embassy Baghdad, NEA, AQM MERO	Audit of the Award and Management of Local and Regional Contracts in Iraq	To determine whether the Department was following prescribed procedures when awarding and managing local and regional contracts in Iraq, to include contract closeout procedures.	High Priority Performance Goal Iraq	September 2013

Afghanistan

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
Embassy Kabul, DS, AQM, SCA /MERO	Audit of the Worldwide Protective Services (WPS) Task Order for the Kabul Embassy Security Force (KESF) (Carryover)	To determine whether the Department's administration and oversight of the WPS task order for KESF has been effective.	High Priority Performance Goal Afghanistan	December 2012
Embassy Kabul, INL, OBO, SCA /MERO	Audit of Administration and Oversight of Contracts to Construct Prisons within Afghanistan (Carryover)	To determine whether the Bureau of International Narcotics and Law Enforcement Affairs has effectively administered and overseen funds expended for prison construction within Afghanistan.	High Priority Performance Goal Afghanistan	January 2013
AQM, NEA, INL, Embassy Kabul /MERO	Audit of the Award and Management of Local and Regional Contracts in Afghanistan	To determine whether the Department is following prescribed procedures when awarding and managing local and regional contracts in Afghanistan, to include contract closeout procedures.	High Priority Performance Goal Afghanistan	May 2013
Embassy Kabul, OBO, AQM, SCA /MERO	Audit of Embassy Construction in Kabul	To determine whether the Department is effectively administering the Embassy construction contracts in Kabul.	High Priority Performance Goal Afghanistan	June 2013
Embassy Kabul, SCA /MERO	Audit of INL's Counternarcotics Programs in Afghanistan	To determine whether the Bureau of International Narcotics and Law Enforcement Affairs is achieving intended and sustainable results through its Counternarcotics Programs in Afghanistan.	High Priority Performance Goal Afghanistan	September 2013

Pakistan

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
PM, Embassy Islamabad, SCA /MERO	Audit of the Administration and Oversight of the Pakistan Counterinsurgency Capability Fund	To determine whether the Department's administration and oversight of the Pakistan Counterinsurgency Capability Fund have been effective..	High Priority Performance Goal Pakistan	October 2012
Embassy Islamabad, SCA, INL /MERO	Audit of INL's Judicial Reform Programs in Pakistan	To determine whether the INL's administration and oversight of its judicial reform programs in Pakistan are effective and whether the programs are achieving stated program objectives.	High Priority Performance Goal Pakistan	March 2013

Other Locations

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
Consulate General Jerusalem, DS, and AQM /MERO	Audit of the Worldwide Protective Services (WPS) Jerusalem Task Order (Carryover)	To determine whether the Department's administration and oversight of the WPS task order for Jerusalem has been effective.	Program Risk	March 2013
Embassy Jordan, INL /MERO	Audit of Department of State Administration and Oversight of the Jordanian Police Modernization Program (Carryover)	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 whether the program has achieved its stated performance goals.	High Priority Performance Goal Democracy, Good Governance and Human Rights	June 2013
NEA, SCA, DS, Selected Embassies /MERO	Audit of Movement Security in the MERO Region	To assess the efforts to protect Department of State personnel during movements outside selected Embassy Compounds.	Program Risk	September 2013

Bureau/OIG Division	Engagement Title	Primary Objective	Justification	Initiate Month/Year
NEA, MEPI /MERO	Audit of the Middle East Partnership Initiative	To determine whether the Department's administration and oversight of the Middle East Partnership Initiative have been effective and whether the Program has achieved its stated objectives.	High Priority Performance Goal Democracy, Good Governance and Human Rights	September 2013