



# HIGHLIGHTS

Office of Inspector General  
United States Department of State

AUD-MERO-19-27

## What OIG Audited

The spread of violent extremism poses significant challenges for U.S. national security. In 2016, the Department of State (Department) designated the Bureau of Counterterrorism and Countering Violent Extremism (CT) as the lead coordinating bureau on countering violent extremism (CVE) issues. CT works with the Department's bureaus and other Government agencies to develop and implement CVE outreach, training, and policies, and programs. CT also works with the Office of U.S. Foreign Assistance Resources, which reports foreign assistance to Congress and has designated CVE as a "key issue." The Office of U.S. Foreign Assistance Resources reported almost \$497 million in funds spent for CVE programs and projects from FY 2015 through FY 2017. The Bureau of Budget and Planning (BP) and the Office of the Under Secretary for Public Diplomacy and Public Affairs' Office of Policy, Planning, and Resources (PPR) oversee CVE efforts funded through public diplomacy.

According to the Foreign Affairs Manual, strategic plans form the basis for the Department's resource planning and performance management efforts and should be "sufficiently focused and realistic to facilitate decision-making and align with higher level strategy." Because of its importance, the Office of Inspector General (OIG) conducted this audit to determine whether the Department developed goals and objectives for its strategy to counter violent extremism, achieved desired results, and monitored funds provided to support those goals and objectives. OIG reviewed 12 grants and cooperative agreements awarded and executed by 4 Department bureaus from FY 2015 through FY 2017.

## What OIG Recommends

OIG made nine recommendations to improve the accounting and reporting of Department funds used to counter violent extremism. Official responses to a draft of this report are reprinted in Appendices C–J.

June 2019

## OFFICE OF AUDITS

MIDDLE EAST REGION OPERATIONS

### Audit of the Department of State Implementation of Policies Intended To Counter Violent Extremism

#### What OIG Found

OIG affirmed that the Department has developed goals, objectives, and guidance for its strategy to counter violent extremism and highlighted them in several documents, including multiple joint strategies with the U.S. Agency for International Development (USAID) and the congressionally mandated Assistance Strategy and Spend Plan for Programs to Counter and Defeat Terrorism and Foreign Fighters Abroad of 2017. In addition, the Office of U.S. Foreign Assistance Resources defined and published in its FY 2016 Key Issues Guidance and Definitions what constitutes a CVE effort.

However, OIG could not affirm that CVE grants and cooperative agreements awarded to counter violent extremism were achieving desired results because CT had not ensured that the strategic plans and activities of Department bureaus, including the activities of officials implementing public diplomacy programs and awards, aligned with the Department's CVE goals and objectives and spend plan. Specifically, OIG found that 5 of 12 (42 percent) CVE grants and cooperative agreements reviewed for this audit either did not align with or support the Department's CVE goals and objectives. The lack of alignment hinders the Department's ability to measure the results of CVE awards, identify best practices that could be replicated, or abandon ineffective efforts that do not advance CVE goals and objectives.

OIG also found that reporting of funds used to support CVE goals and objectives needs improvement. Specifically, OIG found that reported spending on CVE efforts is inaccurate and incomplete because it included awards that did not align with Department CVE goals and objectives and excluded spending that supported CVE efforts, such as public diplomacy spending. Public diplomacy-funded CVE efforts are not reported along with the information that the Office of U.S. Foreign Assistance Resources provides because they are not "foreign assistance" funds. According to BP officials, they did not report all spending on CVE-efforts that used public diplomacy resources in 2016 and 2017 but have since created a methodology to track and report on such spending. In addition, reporting on CVE spending did not differentiate between Department and USAID expenditures because bureaus and overseas missions do not distinguish between Department and USAID expenditures. Establishing procedures to ensure all CVE funds are appropriately captured would improve the Department's reporting of CVE expenditures.