Office of Inspector General
United States Department of State

AUD-CGI-23-20   Office of Audits   July 2023

Audit of the Management and Administration of the Consular Systems Modernization Program

CONTRACTS, GRANTS, AND INFRASTRUCTURE DIVISION

HIGHLIGHTS
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What OIG Audited

The Bureau of Consular Affairs (CA) is responsible for issuing passports, visas, and other documents to citizens and foreign nationals to facilitate travel to and from the United States. To achieve its mission, CA needs modern, reliable, and secure IT systems. Toward that effort, CA initiated the Consular Systems Modernization (CSM) program to modernize and consolidate approximately 90 discrete consular legacy IT systems into a common technology framework.

The Office of Inspector General (OIG) conducted this audit to determine whether the Department of State (Department) applied project management principles governing the management and administration of IT investments to realize the goals of the CSM program. OIG reviewed four task orders under the primary CSM contract awarded in 2018.

What OIG Recommends

OIG made 20 recommendations to improve CA's program and project management and its administration of task orders. On the basis of the Department's responses to a draft of this report, OIG considers 9 recommendations resolved, pending further action, and 11 recommendations unresolved. A synopsis of management's responses to the recommendations offered and OIG's replies follow each recommendation in the Audit Results section of this report. Responses received from the Under Secretary for Management, CA, the Bureau of Budget and Planning, and the Bureau of Information Resource Management are included in their entirety in Appendices D through G, respectively.

What OIG Found

The Department did not consistently apply program management principles when executing the CSM program. Specifically, OIG found that CA did not properly design the CSM program, develop a monitoring plan that complied with Department guidance, evaluate the CSM program, or perform required IT governance reviews. These actions are essential for the proper management of IT investments. The deficiencies occurred, at least in part, because of insufficient management oversight from key Department bureaus and the appointment of unqualified project managers. As the organization that provides passport services and support to U.S. citizens, it is critically important that CA, in coordination with other key Department bureaus, address the identified deficiencies to advance and realize the goals of the CSM program.

OIG also found that the Contracting Officer's Representatives (COR) assigned to the CSM program did not administer task orders in accordance with requirements. Specifically, invoice reviews were not properly documented, contractor reports were missing, performance-based fees may have been improperly awarded, and assessment reports were not completed in a timely manner. These deficiencies occurred because CA and the Bureau of Administration did not enforce the Department's policies for invoice reviews, ensure that CORs were maintaining contract files in the Department's eFiling system, or provide sufficient guidance to fully assess contractor performance. As a result, OIG is questioning $14,291,001 in unsupported costs related to the invoices reviewed.

Lastly, CA did not develop and execute an acquisition plan for the CSM program in a timely manner. The deficiency occurred in part because CA's guidance did not contain all requirements specified in the Federal Acquisition Regulation, and leadership did not provide sufficient oversight. As a result, CA's original procurement package lacked technical specifications, and the acquisition process had to be started over, delaying implementation of the CSM program by approximately 58 months.

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OBJECTIVE

The Office of Inspector General (OIG) conducted this audit to determine whether the Department of State (Department) applied project management principles governing the management and administration of IT investments to realize the goals of the Bureau of Consular Affairs' (CA) Consular Systems Modernization (CSM) program.

BACKGROUND

The Bureau of Consular Affairs

Among other important duties, CA is responsible for protecting U.S. citizens abroad; issuing passports, visas, and other documents to citizens and foreign nationals; protecting U.S. borders; and facilitating legitimate travel to the United States. CA comprises eight offices: Comptroller, Consular Systems and Technology (CST), Executive Director, Fraud Prevention Programs, Overseas Citizens Services, Policy Coordination and Public Affairs, Passport Services, and Visa Services. In addition, CA manages 28 domestic passport facilities and 2 domestic visa centers and supports consular services[1] that are provided by more than 240 consular sections at embassies and consulates around the world.

Office of Consular Systems and Technology

As with other organizations, CA needs reliable and secure IT systems to achieve its mission. One of CA's strategic goals is to provide robust, reliable, and secure IT systems by deploying solutions that can adapt to users' changing business needs. In addition, the modernization of CA's aging information systems is crucial to providing straightforward, improved online, and in-person interfaces and increased options throughout the application process.[2] CST is responsible for providing oversight of systems development and maintenance for CA's systems. Contractors perform much of the development and maintenance of CA's IT systems.

The Consular Systems Modernization Program

CA recognized the need to replace its aging IT systems and informally began the CSM program[3] to modernize consular systems in 2009. However, the CSM program did not formally begin until 2011, when CA decided to modernize and consolidate its consular systems under an enterprise-

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[1] Consular services include providing passport services to U.S. citizens and adjudicating visas for foreign nationals seeking to visit and immigrate to the United States.

[2] CA, "Consular Affairs Functional Bureau Strategy (2017-2021)."

[3] In a 2014 program charter, CST identified CSM as a program that would be divided into multiple projects. The CSM initiative was intended to modernize and consolidate CA's existing operational environment under a common technology framework. According to the CSM Program Manager, the term "ConsularOne" has been used interchangeably with CSM. OIG chose to use "CSM" throughout the report when referring to the program to modernize CA's systems.

wide common technology framework.[4] The CSM program is one of three major IT investments[5] within the CST portfolio. According to CA, the goal of the CSM program is to significantly change how consular services are delivered globally in the following ways:

- Promote a self-service approach for customers through a user-friendly website.
- Facilitate a paperless workflow through an online application process.
- Create a user-friendly interface with a common look and feel to all functions for customers and users.
- Integrate information needed for users to make confident, well-informed decisions.
- Provide the ability to adjust and scale operations reliably and efficiently.

The CSM program is designed to modernize, consolidate, or replace functionality delivered by more than 90 discrete CA systems. As of February 2023, the 17 CSM projects that were in development or in use are presented as follows:

1. **Customer Account Management.** Intended to enhance the user experience and security for customers. Specifically, the solution is intended to provide customers with a centralized way to manage accounts and access information and services.
2. **Predictive Analytics.** Intended to provide state-of-the-art technologies to support CA's day-to-day activities to analyze data. The effort is supposed to support a wide range of data science use cases with integrated software and services.
3. **Enterprise Appointment Scheduling Management.** Intended to allow the public to schedule an appointment for a consular service, such as passport renewal.
4. **Consular Affairs Crisis Management Services.** Intended to be a CST-managed platform that will allow consular services to support crisis events. This project was used during the global crisis in Afghanistan and Ukraine.
5. **Travel Information and Enrollment.** Intended to provide travel advisories, travel alerts, emergency and security messages, post newsletters, and targeted information for specific countries and regions.
6. **Electronic Report of Birth Abroad.** Intended to be used to obtain or process an application for a Consular Report of Birth Abroad (CRBA) certificate. As of February 2023, this project was in development and was being piloted at overseas posts.
7. **Contract Information Management System**. Intended to serve as the central location for all CA contract-related information providing reporting and oversight capabilities.[6]

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[4] Development efforts that began in 2009 for two systems—the Global Visa System and the Global Citizens Services System—were merged with CSM.
[5] The Department's "Capital Planning and Investment Control Guide 2017," Appendix D, "Common Definitions," page 51, states that a major IT investment is an IT investment requiring special management attention because of its importance to the mission or function to the government; significant program or policy implications; high executive visibility; high development, operating, or maintenance costs; unusual funding mechanism; or defined as major by the agency's capital planning and investment control process.
[6] According to CA officials, this system will provide capabilities that are different from the Department's eFiling system. The eFiling system allows Department officials to electronically store and organize contract files. OIG did not assess the differences between the two systems during this audit.

8. **Electronic Payment Service.** Intended to allow customers to pay for CA business services.
9. **Online Passport Renewal.** Intended to allow applicants to submit, and employees and external users to adjudicate, passport renewal applications.
10. **Consular Enterprise Audit Services.** Intended for auditors and senior management at CA who conduct audits and similar activities, are accountable for CA's performance and compliance, or who protect the integrity of consular operations.
11. **Secure Live Photo.** Intended to provide a secure way for applicants to provide a validated digital photo as part of the application process.
12. **Development Security and Operations.** Intended to promote a more cohesive collaboration between CA's development, security, and operations teams as they work toward continuous integration and delivery.
13. **CSM Operations and Maintenance.** Intended to provide help desk support, software maintenance, and production support for all CSM capabilities.
14. **Consular Launchpad for Enterprise Analytics and Reporting.** Intended to provide a centralized interface for CA dashboards, reports, and ad hoc reporting and analysis tools.
15. **Cost of Service Model.** Intended to define CA costs for providing consular services worldwide to be used when establishing fees for services.
16. **Special Immigration Visas.** Intended to be a tool that can be used for applying for special issuance visas by qualified Afghans who worked for or on behalf of the U.S. government in Afghanistan.
17. **Consular Consolidated Database Portal Service Servers.** Intended to be a data warehouse that stores current and archived data from a post's consular databases. The Consular Consolidated Database should provide a near real-time aggregate of consular transaction activity worldwide, providing solutions for centralized visa and American citizen services.

Consular Systems Modernization Contract and Task Orders

On May 1, 2018, CST awarded an indefinite delivery, indefinite quantity (IDIQ)[7] contract to modernize CA's tools and technology.[8] The IDIQ contract contains a 1-year base period with nine 1-year option periods. The maximum award amount over the period of performance, including the base year and option years, is $850 million.

To perform the audit, OIG selected four task orders associated with the IDIQ contract for review. Details on the four selected task orders are presented in Table 1.[9]

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[7] IDIQ is a type of contract that provides for an indefinite quantity of supplies or services during a fixed time. As noted in Federal Acquisition Regulation (FAR) §16.501-2(a), "General," the "appropriate type of indefinite-delivery contract may be used to acquire supplies and/or services when the exact times and/or exact quantities of future deliveries are not known at the time of contract award." The government issues task orders under an IDIQ contract to specify the exact delivery times and quantities and to provide funding for the task.
[8] IDIQ contract 19AQMM18D0086.
[9] Appendix A provides details on how the task orders were selected for review.

Table 1: Task Orders Selected for Review

Task Order	Period of Performance	Description	Obligated Amount
19AQMM18F3629	September 30, 2018 - September 29, 2020	Predictive Analytics	$10,848,489
19AQMM18F4947	September 30, 2018 - September 29, 2020	CSM Support Services	$30,036,371
19AQMM19F1686	June 28, 2019 - September 27, 2020	Consular Systems Existing Capability Projects and Consular Crisis Management Service	$19,681,876
19AQMM20F2282	August 4, 2020 - August 3, 2025	CSM Support Services	$116,684,127
Total			**$177,250,863**

Source: OIG generated based on CSM program contract/task order information obtained from CA.

Task Order 19AQMM18F3629

In September 2018, the Department awarded a time-and-materials[10] task order, 19AQMM18F3629, to develop predictive analytics for adjudicating nonimmigrant visa applications and passport applications. The period of performance for the task order was September 30, 2018, through September 29, 2019, with a 1-year option period through September 29, 2020.

According to the statement of work, CA is responsible for adjudicating nonimmigrant visa applications and passport applications. All first-time visa applications require an in-person interview by a consular officer. The statement of work indicates that CA seeks to develop a capability to analyze data related to application history, travel history, fraud findings, and information about other adverse application outcomes using predictive analytics and machine learning techniques to produce a risk score for each applicant that can be delivered to adjudicators. The risk score would be used in conjunction with information on travel history and other security screening information already provided by current systems.

Task Order 19AQMM18F4947

In September 2018, the Department awarded a hybrid time-and-materials and cost-plus-award-fee (CPAF)[11] task order, 19AQMM18F4947, for CSM support services. The period of performance for the task order was September 30, 2018, through September 29, 2020.

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[10] As noted in FAR 16.601(b), "Time-and-materials contracts," a "time-and-materials contract provides for acquiring supplies or services on the basis of (1) Direct labor hours at specified fixed hourly rates that include wages, overhead, general and administrative expenses, and profit; and (2) Actual cost for materials."

[11] As noted in FAR 16.305, "Cost-plus-award-fee contracts," a CPAF "contract is a cost-reimbursement contract that provides for a fee consisting of (a) a base amount (which may be zero) fixed at inception of the contract and (b) an award amount, based upon a judgmental evaluation by the [g]overnment, sufficient to provide motivation for excellence in contract performance."

According to the statement of work, the main objective of the task order was to provide services and technology to support the CSM program.

Task Order 19AQMM19F1686

In June 2019, the Department awarded a time-and-materials task order, 19AQMM19F1686, to develop services based on the new CSM architecture. The period of performance for the task order was June 28, 2019, through June 27, 2020, with three 1-month option periods through September 27, 2020.

The statement of work required the contractor to perform development work on existing CSM services, including Online Passport Renewal (OPR), Electronic Consular Report of Birth Abroad (eCRBA), Enterprise Payment Service, and Customer Account Management. This development work included resolving defects resulting from independent verification and validation (IV&V)[12] testing.

Task Order 19AQMM20F2282

In August 2020, the Department awarded a hybrid time-and-materials and CPAF task order, 19AQMM20F2282, to provide support services for the CSM program. The period of performance for the task order was August 4, 2020, through August 3, 2021, with four 1-year option periods through August 3, 2025. According to the statement of work, the main goal of the task order was to provide services and technology to support the CSM program.

Program Management

On December 14, 2016, the Program Management Improvement Accountability Act[13] was signed into law. The Act aimed to improve program and project management practices within the federal government and established a new role, the Program Management Improvement Officer (PMIO). PMIOs are responsible for implementing program management policies established by their respective agencies and developing strategies to enhance the role of program management and managers within their departments.[14] The Director of the Bureau of Budget and Planning (BP) is the Department's PMIO. The Department's 18 Foreign Affairs Manual (FAM) 300 establishes a clear line of sight from what the Department wants to achieve as documented in its strategic plans, to how the Department intends to achieve it through key programs and projects, to data on whether these efforts are working as intended based on monitoring, evaluation, and learning activities.[15]

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[12] IV&V should be performed by an organization that is not under the control of the organization that is developing the software.
[13] Public Law 114-264.
[14] Office of Management and Budget (OMB) M-18-19, "Improving the Management of Federal Programs and Projects through Implementing the Program Management Improvement Accountability Act (PMIAA)," page 1, June 25, 2018.
[15] 18 FAM 301.4-1, "Purpose."

The Department's Managing State Projects concept presents a life-cycle management technique that uses three periods (i.e., study period, acquisition period, and operations period) to establish a systematic framework, which includes tailoring options and control gates,[16] for managing projects.[17] According to the Department's Foreign Affairs Handbook (FAH), Managing State Projects is the preferred methodology in the Department for all IT development projects. Another method, if needed, can be used but must map to Managing State Projects control gates.[18]

In 2015, CST adopted a different project management methodology—the Scaled Agile Framework® (SAFe),® which is a form of the Agile methodology. The Agile methodology is a way to plan a project by breaking it up into short-term iterations. The methodology involves constant collaboration with stakeholders and continuous improvement at every stage.[19]

Capital Planning and Investment Control Requirements

The Information Technology Management Reform Act of 1996[20] requires federal agencies to use capital planning and investment control (CPIC) to design and implement a process for maximizing the value and assessing and managing the risks of the information technology acquisitions of the executive agency.[21] This includes providing for the selection of information technology investments to be made by the executive agency, the management of such investments, and the evaluation of the results of such investments.[22]

The Department's CPIC Guide was designed to serve as a roadmap to ensure officials understand and participate in the Department's IT planning, investment, and management lifecycle. The Guide also documents the processes that the Department uses to formulate, justify, manage, and maintain its portfolio of IT investments. According to the FAM, the CPIC process described in the Guide ensures that IT investments integrate strategic planning, budgeting, procurement, and project management to support the Department's mission and business needs.[23]

Contract Administration

The Bureau of Administration directs the Department's systems for contracting and acquisition. Located within the Bureau of Administration, the Office of the Procurement Executive, Office of Acquisitions Management (AQM), plans and directs the Department's acquisition programs and conducts contract operations that support worldwide activities. AQM was established to

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[16] A control gate is a management review process in the project cycle designed to examine and evaluate project status (milestones) and to determine whether the project will proceed to the next management event.
[17] 5 FAH-5 H-212, "Managing State Projects (MSP) Concept."
[18] 5 FAH-5 H-211, "General."
[19] Bureau of Information Resource Management, "MSP-IT Playbook," 2021, § 3.1.1.1, "Agile Variant Overview," page 4.
[20] Public Law 104-106, February 10, 1996.
[21] Public Law 104-106, § 5122(a), codified at 40 United States Code § 11312(a).
[22] 40 United States Code § 11312(b)(1).
[23] 5 FAM 683, "Definitions."

provide a full range of contract management services, including acquisition planning, contract negotiations, cost and price analysis, and contract administration. Most domestic offices, including CST, have limited procurement authority and rely on AQM for the majority of their procurement support.

The Federal Acquisition Regulation (FAR) and the Department's procurement policies describe the roles and responsibilities of government personnel who are responsible for administering contracts. The Contracting Officer (CO) is the U.S. government's authorized agent for dealing with contractors and has sole authority to solicit proposals and negotiate, award, administer, modify, or terminate contracts.[24] In general, COs work in the Bureau of Administration, specifically AQM. COs perform duties at the request of the offices that require the contract and rely on those offices for technical support concerning the products or services being acquired.[25] According to the FAR,[26] contracting offices are responsible for "verifying that the contractor fulfills the contract quality requirements."

A CO may designate, in writing, a Contracting Officer's Representative (COR) who will have limited authority to act on behalf of the CO.[27] The COR has no authority to make any commitments or changes that affect price, quality, quantity, delivery, or other terms and conditions of the contract.[28] The COR's duties include the following:

- Monitoring the contractor's technical progress and the expenditures of resources.
- Performing inspections and accepting work.
- Resolving technical issues.
- Reviewing and approving the contractor's vouchers or invoices.
- Maintaining a COR file.[29]

It is the COR's responsibility to ensure that the Department gets what it pays for through effective contractor performance.[30] This responsibility requires the COR to develop a contract monitoring plan commensurate with the complexity and criticality of the contract and to ensure that contract administration responsibilities are performed in a timely manner.[31]

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[24] 14 FAH-2 H-141, "Responsibilities of the Contracting Officer."
[25] Ibid.
[26] FAR 46.103, "Contracting Office Responsibilities."
[27] FAR 1.602-2(d), "Responsibilities."
[28] FAR 1.602-2(d)(5).
[29] 14 FAH-2 H-142b(8)-(9), (11), and (15)-(16), "Responsibilities of the Contracting Officer's Representative."
[30] 14 FAH-2 H-521(b), "Elements of Contract Administration."
[31] Ibid.

AUDIT RESULTS

Finding A: The Department Did Not Consistently Apply Program Management Principles When Executing the CSM Program

OIG found that the Department did not consistently apply program management principles when executing the CSM program.[32] Specifically, OIG found that CA did not properly design the logic detailing how and why the program and its projects were intended to work, perform a situational analysis to determine the conditions surrounding the program, or develop project plans, all of which are required by the Department. OIG also found that CA did not develop a monitoring plan for the CSM program that complied with Department guidance, had not selected the CSM program for a bureau evaluation, had not performed required IT governance reviews such as health assessments and post implementation reviews, and did not adequately conduct an executive investment review (EIR) for any of the IT assets being developed. Furthermore, OIG found that CA was not appropriately recording IT systems in the Department's IT portfolio management tool and identified issues with CA's use of its chosen program management methodology. These actions are essential for the proper management of IT investments.

The deficiencies identified occurred, in part, because of insufficient management oversight from key Department bureaus, including CA and BP, along with the appointment of unqualified CA project managers to serve as technical monitors. As the only federal organization that provides passport services and consular support to U.S. citizens, it is critically important that CA, in coordination with other key Department bureaus, address the deficiencies identified with the CSM program to ensure that CA can achieve its mission and realize the goals of the CSM program.

Improper Program/Project Design

According to the FAM, bureaus and offices should establish a clear "line of sight" from what the bureau or office wants to achieve and how it intends to achieve it through key programs and projects.[33] Program design is a key component of achieving goals. OIG identified deficiencies in CA's program/project design for CSM. Specifically, CSM's program/project logic was not properly designed, a situational analysis was not performed, and project plans were insufficient.

CSM Program/Project Logic Was Improperly Designed

According to the FAM, the core of program/project design is constructing the logic detailing how and why a program or project is intended to work.[34] The logic model (or equivalent)

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[32] OIG also reported some of the issues identified in this finding in an earlier report—*Review of the Bureau of Consular Affairs ConsularOne Modernization Program, Significant Deployment Delays Continue*, page 12 (ISP-I-22-03, November 2021).

[33] 18 FAM 301.4-1, "Purpose."

[34] 18 FAM 301.4-2(a), "Program/Project Design."

articulates how and why the program or project is expected to contribute to achieving the program/project goals and objectives. The logic model documents expected linkages between program/project inputs, activities, outputs, and outcomes and sets the foundation against which progress can be monitored and evaluated.[35] Organizations can use a project charter rather than a logic model. If a project charter is used, it should include project goals, a justification for the project, the scope, a list of stakeholders, and key deliverables.[36]

OIG found that the Department did not consistently apply program management principles when executing the CSM program. Specifically, CA did not properly design the logic detailing how and why the CSM program and its projects were intended to work. Officials from CA's Office of the Comptroller provided a 1-page logic model for CSM. However, the logic model did not articulate how and why the program was expected to contribute to achieving the program goals and objectives, nor did it set the foundation against which progress could be monitored and evaluated. Although OIG found a CSM program charter in the Department's Integrated Management, Analytics, and Technology Resource for Information Exchange (iMatrix)[37] system, the program charter did not include key items required by the FAM. The program charter stated that specific project details could be found in each individual project's charter. However, CA was unable to provide project charters or logic models for any of the 17 projects as part of the broader CSM program.

Additionally, CA did not provide documentation on how CST would manage the effort to replace 90 legacy consular systems or how it would mitigate conflicts when moving those systems into a common technology framework. Furthermore, the logic model provided by CA included the following objectives for CSM:

- Continually modernize and integrate business process.
- Improve integration with external databases while ensuring quality assurance of CA systems.
- Improve customer service to the public and response time to changing demands and world events.
- Lower information technology operational costs and increase flexibility.

However, these objectives were not sufficiently program-specific to be actionable to assess program performance.

OIG also found that in the September 2021 award fee determination report, CST advised the contractor that "development teams seem to think only in terms of [program increments[38]] for development, but they confuse [A]gile development processes with the need to have an overall design and architecture." Similar to CST's criticism of the contractor, OIG found that CST

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[35] 18 FAM 301.4-2(b)(4).
[36] 18 FAM 301.4-2(b)(5).
[37] iMatrix is the Department's IT portfolio management tool that serves as the authoritative source for all IT portfolio details.
[38] A program increment is a 3-month segment of work in which teams execute 2-week sprints and 1-day tasks.

officials were too focused on short-term development efforts and insufficiently focused on CSM's overall program design.

Situational Analysis Was Not Developed

A situational analysis is required to assist in determining the current state or conditions surrounding the program or project idea that could affect its design, implementation, or outcome.[39] The situational analysis provides an organization with an opportunity to identify problems or conflicts and mitigate them in a timely manner. OIG found that CST did not develop and perform the required situational analysis.

CST officials stated that during the development of the CSM program, they identified conflicts or challenges related to interdependencies with other project teams or contractors. For example, according to one CST official, a conflict was discovered when the eCRBA system was being installed on the same platform as OPR. However, the required situational analysis was not developed and performed to help identify such conflicts and determine the current state or conditions surrounding the program. Instead, CST decided to move eCRBA to an alternate platform because OPR was deemed to be the higher priority. Moving eCRBA to that alternate platform delayed eCRBA's 2.0 planned release from July 2020 to August 2021.

OIG identified similar conflicts in a prior OIG report.[40] For example, OIG found that ineffective communication and coordination between CST divisions led to misunderstandings among staff and contractors as to the office's priorities, eroded trust between divisions, and reduced CST's operational effectiveness. OIG concluded that such communication and coordination problems could have been identified and mitigated using a situational analysis prior to the start of the program.

With 90 legacy systems ultimately being modernized into one technology framework, it is imperative that CA determine and mitigate any conflicts by performing a situational analysis as development of the CSM program continues.

Lack of Project Plans

According to the FAM, for accountability purposes and successful results, a project plan must be in place for projects, including IT projects, before beginning any project. A typical project plan should include clearly defined requirements, tasks, a schedule, tasks assignments, resources, and expected results. The project plan becomes the primary source of information for how the project will be planned, executed, monitored, controlled, and closed.[41] Additionally, the FAH states that a project cannot succeed without details of task assignments,

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[39] 18 FAM 301.4-2(b)(2).
[40] OIG, ISP-I-22-03, page 12.
[41] 5 FAM 615, "The Project Plan."

activities, start and end dates, budget information, documents, and deliverables in a valid project plan.[42] All project plans must include the following information:[43]

- Project background;
- Responsibilities (key personnel);
- Objectives and performance measures;[44]
- Business case that addresses risks in terms of specific security considerations and the cost, schedule, performance, and functional and technical requirements;
- Work breakdown structure;
- Issues, risks, security, constraints; and
- Annual operating costs.

OIG found that CA officials did not develop required project plans to execute, monitor, and control CSM projects. This deficiency was previously identified in an OIG report.[45] In lieu of the required project plan, CA officials provided schedules for the various projects and documents that tracked projects' scheduled events but did not provide the other information that the FAM requires for project plans.[46]

Inadequate Program Monitoring Plan

The FAM requires all bureaus and independent offices to develop a monitoring plan for programs or projects and incorporate its use into program and project management. Monitoring plans involve regular, ongoing data collection against key performance indicators or milestones to gauge the direct and near-term effects of activities and whether desired results are occurring as expected during implementation.[47] Additionally, the Government Accountability Office (GAO) states that "management should establish and operate monitoring activities to monitor the internal control system and evaluate the results."[48]

According to the FAM, bureaus and offices should build on the logic model or project charter to develop the monitoring plan. Specifically, the monitoring plan should document all of the indicators and baselines, milestones, and targets for each indicator. The monitoring plan should also include data collection frequency for each indicator. Data for each performance indicator should be collected at the frequency feasible and necessary to effectively manage and monitor progress and results, conduct internal learning, and meet external reporting or communication

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[42] 5 FAH-5 H-213(c), "Project Plan."
[43] 5 FAM 615(1)-(8).
[44] Objectives and performance measures should state the objectives of the project and how they will be measured. If contractors are involved, the performance measures provide information on how contractors will be managed in terms of tangible output, quality, and timeliness. 5 FAM 615(3); 5 FAH-5 H-213(c)(4).
[45] OIG, ISP-I-22-03, page 14.
[46] 5 FAM 615(1)-(8).
[47] 18 FAM 301.4-3(b), "Monitoring."
[48] GAO, *Standards for Internal Control in the Federal Government*, page 64 (GAO-14-704G, September 2014).

requirements.[49] Furthermore, the indicator reference tool[50] provided by BP states that "indicator language should be concise and very clear about [what] exactly is being counted or measured."

The CSM monitoring plan provided by CA officials was a 1-page document that included five performance indicators. Columns were included for each indicator to identify baseline data, planned data collection frequency, and cumulative targets and cumulative actuals for each quarter. However, the monitoring plan lacked adequate performance indicators necessary to sufficiently track performance and provide oversight of the systems' modernization efforts. Although five performance indicators were included, OIG determined that none of them could be used to monitor progress or compare actual results with expected results because the indicators were unclear about what was to be measured.

Specifically, the first indicator was "Percent of investment's total FY funds obligated vs total baseline FY budget." This indicator was intended to advise CST about the amount of obligated and unobligated funds. However, the indicator focused on funds management and not on monitoring program performance. The second indicator was "Availability of the [Electronic Payment Service]," which was one of the CSM projects. This indicator did not clearly reflect what was being measured and related to the overall completion of a project rather than assist the organization in monitoring interim steps to completing the project (i.e., this was an outcome, not a measurement). The third indicator was "Transition of existing [five] modernization services to the official [Systems Development Life Cycle],"[51] which OIG determined was a transition of development methodology and not an indicator of performance. The fourth indicator was "Increase government [full-time equivalent] resources supporting the investment," which focused on government resources rather than the efforts to monitor the program. The final indicator was "Transition the existing five modernization services to CSM Vendor," which OIG determined was a transition of vendors and not an indicator of performance.

Additionally, the monitoring plan section included for CA to specify performance targets was blank. Therefore, no baseline was specified to measure the performance of the indicators as developed. OIG concluded that CA did not develop a monitoring plan for the CSM program that complied with Department guidance.

CSM Program Has Not Been Evaluated

According to the FAM, beginning in February 2018 (when the policy was issued), bureaus and independent offices should conduct evaluations to examine the performance and outcomes of their programs, projects, and processes at a rate commensurate with the scale of their work,

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[49] 18 FAM 301.4-3(d).

[50] An indicator reference tool is one type of tool to help think through the information necessary in selecting and developing performance indicators.

[51] Systems development life cycle is the scope of activities associated with a system, encompassing the system's initiation, development and acquisition, implementation, operation and maintenance, and ultimately its disposal.

the scope of their portfolio, and the size of their budget.[52] At a minimum, all bureaus and independent offices are required to complete at least one evaluation per fiscal year.[53]

As of June 2022, more than 4 years since the requirement was put in place, CA had not performed an evaluation of the CSM program. According to CA officials, CA offices volunteer programs for evaluation; CA officials selected from among those volunteered programs. CA does not choose which programs to evaluate based on the size of the investment or the risk to the bureau portfolio. CST volunteered to have the CSM program evaluated, but CA officials did not select CSM for evaluation.

In addition, according to CA officials, the COVID-19 pandemic impacted CA's ability to evaluate the CSM program. CA is funded mainly with revenue from consular activities (e.g., fees associated with issuing passports and visas). Because of travel restrictions put in place as a result of COVID-19, the need for travel documents decreased significantly, which impacted the amount of CA's revenues from fee collection. The revenue decreases also meant that CA could not take some actions related to program management. For example, CA officials stated that an evaluation of the CSM program would need to be contracted to an outside entity because of its technical nature. However, because of the decrease in revenue attributable to travel restrictions, an evaluation of the CSM program was not conducted. As countries continue to drop travel restrictions, CA's revenue should be better positioned to address this issue.

OIG is offering the following recommendation to address the condition identified.

> **Recommendation 1:** OIG recommends that the Bureau of Consular Affairs (CA), in coordination with the Bureau of Budget and Planning, develop and implement a risk-based methodology to select programs for evaluation. CA should include the amount of funds invested and the risk to its portfolio as factors considered in the methodology.

> **Management Response:** CA and BP concurred with the recommendation, stating that they were working together to plan an evaluation. BP also stated that CA and BP were developing a risk-based methodology appropriate for the number and scope of programs that CA manages.

> **OIG Reply:** On the basis of CA's and BP's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that CA, in coordination with BP, has developed and implemented a risk-based methodology to select programs for evaluation and included the amount of funds invested and the risk to its portfolio as factors considered in the methodology.

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[52] 18 FAM 301.4-4(a), "Evaluation."
[53] 18 FAM 301.4-4(b).

IT Governance Reviews Were Not Completed

The Department's CPIC Guide serves as a roadmap to ensure that officials understand and participate in the Department's IT planning, investment, and management lifecycle. The IT governance structure monitors the progress and performance of projects, programs, and investments, both on an individual and a portfolio level. The CPIC Guide requires various types of high-level reviews and activities, including one at the project level (a "health assessment"), one after a project has been completed (a "post-implementation review"), and one at the investment level (an "executive investment review"). All reviews aim to ensure that the Department's IT investments remain healthy and are performing as expected. Investment teams are supposed to monitor IT investment progress against projected cost, schedule, performance, and expected mission benefits. However, OIG identified the following deficiencies related to each of these required reviews.

Health Assessments

According to the Department's CPIC Guide,[54] health assessments should take place quarterly to assess IT portfolio health by monitoring, reviewing, and correcting as necessary each project's performance. All projects in an investment should be reviewed at the same time, with meetings typically scheduled and conducted by the bureau. OIG found that health assessments required by the Department's CPIC Guide[55] were never conducted on CSM projects.

Post-Implementation Reviews

According to the Department's CPIC Guide, post-implementation reviews assess the overall performance of a project and ensure that the now-operating product has the functionality to meet previously identified needs. Post-implementation reviews should be conducted about 6 months after a project has been completed.[56] CST had not performed post-implementation reviews for the three CSM projects that had been completed for at least 6 months.[57]

Executive Investment Reviews

EIRs provide Department senior management with insight into the overall performance of an IT investment.[58] The CPIC Guide states that "[t]he EIR's purpose is to conduct a deeper dive than a typical Health Assessment to understand the root cause of the investment's underperformance."[59] IT investments are recommended for an EIR if their rating in the Federal

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[54] Department, "Capital Planning and Investment Control Guide, 2017," § 3.3.3, "Control Reviews," page 22.
[55] Ibid.
[56] Department, "Capital Planning and Investment Control Guide, 2017," § 4.3, "Activities," page 29.
[57] OIG confirmed that the following projects have been completed and eligible for a post implementation review: Enterprise Payment Service, Customer Account Management, and Consular Affairs Crisis Management Services.
[58] Department, "Capital Planning and Investment Control Guide, 2017," § 3.3.3, "Control Reviews," page 22.
[59] Ibid., page 23.

IT Dashboard[60] is "yellow" (medium risk) or "red" (moderate high risk).[61] Although CSM has been rated as yellow or red on the Federal IT Dashboard since 2015, the Department did not conduct an EIR of the program until August 2022. In addition, CA officials described the EIR[62] that was conducted as a 1-hour presentation about the CSM investment, with 30 minutes allocated for the briefing and an additional 30 minutes to answer questions, which OIG concluded was not adequate to meet the CPIC Guide requirement.

Unrecorded IT Investments

OIG also found that CA did not appropriately report IT projects in iMatrix, the Department's IT portfolio management tool. CA officials stated that IT governance reviews (such as EIRs and health assessments) are determined using iMatrix data. According to 18 FAM 300,[63] all bureaus and independent offices must identify the major programs and projects they undertake to achieve their broader outcomes. The CPIC Guide[64] requires that technology products be reported as part of the Department's full IT portfolio.[65] In addition, the FAM requires that all systems and applications associated with any projects be registered in iMatrix.[66] OIG found, however, that as of July 2022, only two of CSM's 17 projects had been included in iMatrix. Those two projects, OPR and eCRBA, were both incorrectly reported as closed in 2015 and 2016, respectively, although CST reported elsewhere that both were still in development.

CST officials indicated that they were unsure how to track projects being developed using a SAFe® project management methodology in iMatrix because of a lack of guidance. According to a Bureau of Information Resource Management (IRM) official, IRM had offered CST various solutions to enable project tracking. Moreover, one IRM official stated that other Department bureaus that manage projects using an Agile methodology had not had any problems with reporting their projects and progress updates in iMatrix. To address this identified condition, OIG is offering the following recommendation.

> **Recommendation 2:** OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Information Resource Management, develop and implement a process to annually ensure that all IT projects related to the Consular Systems Modernization program are registered in the Integrated Management,

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[60] The General Services Administration's Federal IT Dashboard enables agencies, OMB, Congress, GAO, and the public to understand the value of federal IT portfolios, manage the health of their IT investments, and make better IT planning decisions.

[61] Department, "Capital Planning and Investment Control Guide, 2017," § 3.3.3, "Control Reviews," page 23.

[62] According to CST officials, an "Information Technology Program Review" was conducted, which is the equivalent of an EIR.

[63] 18 FAM 301.4-1(C)(a), "Identifying and Defining Programs and Projects Within a Bureau or Independent Office."

[64] The Department's CPIC Guide serves as a roadmap to ensure IT investments align with the Department's diplomatic mission, take advantage of emergent technology, meet regulatory needs, and directly support the Department's foreign affairs objectives.

[65] Department, "Capital Planning and Investment Control Guide, 2017," "CPIC Overview," page 1.

[66] 5 FAM 611(e), "General."

Analytics, and Technology Resource for Information Exchange system, in accordance with 5 Foreign Affairs Manual 611.

Management Response (CA): CA partially concurred with the recommendation, stating that all CA systems are registered in iMatrix, as required. In its response, CA requested that OIG revise the recommendation to state that IRM "should clarify guidance to instruct the Department on how Agile projects should be reported and tracked in the [iMatrix] system."

Management Response (IRM): IRM concurred with the recommendation, stating that it would coordinate with CA.

OIG Reply: On the basis of CA's response to the recommendation, OIG considers this recommendation unresolved. As reported in the finding, CA had not registered all of its systems related to the CSM program in iMatrix. As also reported in the finding, the FAM requires that all systems and applications associated with any project be registered in iMatrix. The project management framework that a bureau elects to use should have no impact on how systems and applications are reported in iMatrix. Therefore, OIG is not revising the recommendation as requested by CA. This recommendation will be considered resolved when CA provides a plan of action for addressing this recommendation or provides an acceptable alternative that fulfills the intent of the recommendation. This recommendation will be closed when OIG receives documentation demonstrating that CA, in coordination with IRM, has developed and implemented a process to annually ensure that all IT projects related to CSM are registered in iMatrix, in accordance with 5 FAM 611.

Program and Project Management Methodology

According to CST leadership, their understanding is that the Department's program management guidance in the FAM[67] generally aligns with a program or project management concept called the "waterfall" methodology. For an IT project being managed using the waterfall methodology, software development cascades from one phase to the next. The FAH provides additional guidance related to the Department's methodology for IT development projects and states that a different IT development methodology may be used but it must map to the control gates included in the FAH (such as developing a project plan that includes activities, start and end dates, and deliverables).[68]

CA is using SAFe®[69] for its CSM program management rather than the waterfall methodology. SAFe® includes a number of requirements that align with the program or project management process described in the FAM. For example, according to the website of the organization that developed SAFe,® metrics (an equivalent of performance measures required by 5 FAM 671) are needed to reliably measure the current state of a project and identify what the organization can

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[67] 18 FAM 301.4 and 5 FAM 610, "Developing and Managing Information Technology (IT) Systems."
[68] 5 FAH-5 H-211 and 5 FAH-5 H-213(c).
[69] SAFe® is intended to improve the efficiency of IT development by including "lean" and "agile" practices.

do to improve. The website further states that the choice of what and how to measure is a critical enabler of continuously improving business performance. For example, the monitoring plan required by 18 FAM 301.4-3(b) is similar to SAFe's® "Built-In Quality." According to the website of the organization that developed SAFe,® Built-In Quality practices ensure that each element, at every increment, meets appropriate quality standards.

Nevertheless, OIG identified issues with CA's use of its chosen program management methodology and found that CST officials do not believe that they need to develop or maintain documentation required by the FAM related to project planning, performance measures, monitoring, or reviews because CST is using the SAFe® program or project management methodology. For example, CSM's acting Program Manager stated that project charters were not required when using SAFe.® Furthermore, a CST official stated that CA did not include deadlines for contract deliverables in the task order because "agile" development is "continuous and ongoing."[70]

Software development is a complex process, and it needs to be planned and managed effectively. SAFe® can be a useful tool for product development, but it must map to the control gates included in the FAH (such as developing a project plan that includes activities, start and end dates, and deliverables).[71] According to IRM officials, the SAFe® program or project management methodology does not preclude bureaus from creating project and monitoring plans.

Considering the delays and other issues with the CSM program, CA should assess whether SAFe® is the best program management methodology for its use.[72] If CA continues to use this methodology, it needs to take action to ensure that it implements the key tenets of the SAFe® program management strategy and map control gates to the Department's project management guidance. CA would also benefit by identifying specific program and project management requirements outlined in the FAM and take action to prepare missing program and project documentation and perform monitoring. Moreover, the Director of BP, serving in the role of the PMIO, has the responsibility to "[o]versee and ensure implementation of program and project management policies, including tools and techniques, established by the

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[70] The eCRBA project has been in development since 2014 (under two different contracts). Deadlines were not established for the project development. As of January 2023, eCBRA was not available for full public use. A CST official stated that if CST had used the waterfall methodology it would have taken CST years to build the system and CA would have missed several iteratives that would have required the system to be rebuilt.

[71] 5 FAH-5 H-211 and 5 FAH-5 H-213(c).

[72] IRM has an "MSP-IT Playbook" (November 2021). Section 3.1.1.3 of the handbook provides a list of questions to ask before electing to use an Agile variant for project management. Some questions include the following: Does the project manager and the team have experience and training in using the Agile methodology? Can the product or some of the deliverables be demonstrated at the conclusion of a 2-4 week period? and are project team members interested in using an Agile variant? According to the handbook, organizations should consider using the waterfall variant if the answer to any question is "no."

agency."[73] OIG is therefore offering the following recommendations to address the identified conditions.

> **Recommendation 3:** OIG recommends that the Bureau of Budget and Planning update 18 Foreign Affairs Manual 300 to specify which requirements (including what documentation is required) apply to Department of State bureaus and offices using Agile (or Agile-related) program or project management methodologies.
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> **Management Response:** BP did not concur with the recommendation, stating that the recommendation is outside the intended scope of 18 FAM 300. According to BP, 18 FAM 300 provides a policy for applying program management principles and best practices that is flexible enough to encompass the Department's wide array of programs. BP also stated that attempting to specify program management principles for Agile software development would conflict with IRM responsibilities and would establish a precedent that every program management framework used should be codified in the FAM, which BP believed would be unworkable.
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> **OIG Reply:** On the basis of BP's response, OIG considers this recommendation unresolved. BP's role as the Department's PMIO makes it responsible for developing common templates and tools to support improved data gathering and analysis for program management.[74] OIG is not recommending that BP provide guidance for software development, nor is OIG recommending that BP develop separate guidance for all types of project management frameworks. Instead, based on its findings, OIG determined that it is clear that the guidance in 18 FAM 300 needs to be clarified to prevent users from circumventing Department project management requirements. This recommendation will be considered resolved when BP provides a plan of action for addressing this recommendation or provides an acceptable alternative that fulfills the intent of the recommendation. This recommendation will be closed when OIG receives documentation demonstrating that BP has updated 18 FAM 300 to specify which requirements (including what documentation is required) apply to bureaus and offices using Agile (or Agile-related) program or project management methodologies.
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> **Recommendation 4:** OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, map control gates for the program management methodology used for the Consular Systems Modernization program to the Department of State's Managing State Projects guidance, as required by 5 Foreign Affairs Handbook-5 H-211.
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> **Management Response:** CA and BP did not concur with the recommendation, each stating that CA should coordinate with IRM rather than BP.

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[73] OMB, Circular A-11, "Preparation, Submission, and Execution of the Budget," August 2021, § 270.5, "What is the role of the Program Management Improvement Officer (PMIO), and how does the agency designate and notify OMB of the designation."
[74] 31 United States Code § 1126(a)(2)(B)(vi).

OIG Reply: On the basis of CA's and BP's responses, OIG considers this recommendation unresolved. OIG encourages CA to coordinate with any bureaus that it believes can help it comply with FAH requirements, including IRM. However, because this recommendation relates to program management, and BP is the PMIO, it is reasonable for BP to coordinate with CA to ensure that CA complies with program management requirements.[75] This recommendation will be considered resolved when CA provides a plan of action for addressing this recommendation or provides an acceptable alternative that fulfills the intent of the recommendation. This recommendation will be closed when OIG receives documentation demonstrating that CA, in coordination with BP, mapped control gates for the program management methodology used for the CSM program to the Department's Managing State Projects guidance, as required by 5 FAH-5 H-211.

Recommendation 5: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, develop and implement a plan to create documentation required by Department of State program and project management guidance (including 18 Foreign Affairs Manual 300) for the overall Consular Systems Modernization program and discrete projects related to the program. This documentation would include, but not be limited to, a program monitoring plan, a logic model, and a situational analysis.

Management Response: CA and BP did not concur with the recommendation, each stating that CA submitted design documentation to BP for the CSM program, which fulfilled BP's design requirement. BP also stated that in August 2022, CA clarified the program's scope, schedule, and baseline. Furthermore, BP stated that OIG did not specify in the report how the materials that CA prepared related to design documentation were not in compliance with FAM requirements. Additionally, BP stated that it should not be a coordinating partner with CA for the recommendation.

OIG Reply: On the basis of CA's and BP's responses, OIG considers this recommendation unresolved. As described in the finding, OIG identified numerous instances in which CA's CSM program and project management documentation did not comply with the FAM. For example, as reported, OIG found that CA did not properly design the program logic, perform a situational analysis, develop project plans, develop a sufficient monitoring plan, perform required IT governance reviews, and conduct an adequate EIR for the CSM investment. Additionally, as noted in the report, BP is the PMIO for the Department, so it has a significant role in ensuring that bureaus comply with program and project management requirements.[76]

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[75] OMB, Circular A-11, § 270.5, states that the PMIO should "[c]ollaborate and partner with other management functions, bureaus, component program offices, and goal leaders to oversee and improve the execution of program management policies and processes that improve the effectiveness and efficiency of programs where needed."

[76] Ibid., states that the PMIO should "[o]versee and ensure implementation of program and project management policies."

This recommendation will be considered resolved when CA provides a plan of action for addressing this recommendation or provides an acceptable alternative that fulfills the intent of the recommendation. This recommendation will be closed when OIG receives documentation demonstrating that CA, in coordination with BP, has developed and implemented a plan to create documentation required by Department program and project management guidance for the overall CSM program and discrete projects related to the program. This documentation should include, but not be limited to, a program monitoring plan, a logic model, and a situational analysis.

Recommendation 6: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, reassess the current program management methodology used to manage and monitor the Consular Systems Modernization program to determine whether it is the most effective option.

Management Response: CA did not concur with the recommendation, but BP did concur. Each bureau stating that IRM should be added as a coordinator.

OIG Reply: On the basis of CA's and BP's responses, OIG considers this recommendation unresolved. OIG encourages CA to coordinate with any bureaus that it believes can help it with improving program and project management, including IRM. However, because this recommendation relates to program and project management, and BP is the PMIO, OIG believes that it is reasonable for BP to coordinate with CA to ensure that CA performs program and project management effectively.[77] This recommendation will be considered resolved when CA provides a plan of action for addressing this recommendation or provides an acceptable alternative that fulfills the intent of the recommendation. This recommendation will be closed when OIG receives documentation demonstrating that CA, in coordination with BP, has reassessed the current program management methodology used to manage and monitor the CSM program to determine whether it is the most effective option.

Recommendation 7: OIG recommends that if, following implementation of Recommendation 6, the Bureau of Consular Affairs (CA) determines that its current program management methodology is not optimal, CA should develop and implement a plan of action, in coordination with the Bureau of Budget and Planning, to adopt a different program and project management methodology that aligns with Department of State program and project management guidance.

Management Response: Neither CA nor BP concurred with the recommendation, stating that IRM should be added as a coordinator.

OIG Reply: On the basis of CA's and BP's responses, OIG considers this recommendation unresolved. OIG encourages CA to coordinate with any bureaus that it believes can help

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[77] Ibid., states that the PMIO should "[c]ollaborate and partner with other management functions, bureaus, component program offices, and goal leaders to oversee and improve the execution of program management policies and processes that improve the effectiveness and efficiency of programs where needed."

it with improving program and project management, including IRM. However, because this recommendation relates to program and project management, and BP is the PMIO, it is reasonable for BP to coordinate with CA to ensure that CA performs program and project management effectively.[78] This recommendation will be considered resolved when CA provides a plan of action for addressing this recommendation or provides an acceptable alternative that fulfills the intent of the recommendation. This recommendation will be closed when OIG receives documentation demonstrating that CA, in coordination with BP, has developed and implemented a plan of action to adopt a different program and project management methodology that aligns with Department guidance should CA determine that its current program management methodology is not optimal.

Causes of the Deficiencies Identified

The deficiencies identified during the audit occurred, in part, because of insufficient management oversight from key Department bureaus, including CA and BP, along with the appointment of unqualified project managers.

Insufficient Management Oversight and Attention Among Key Bureaus

According to GAO, organizations should establish and maintain an environment throughout the entity that sets a positive attitude toward internal control.[79] Additionally, management should evaluate performance and hold individuals accountable for their internal control responsibilities.[80] Without a strong tone at the top to support an internal control system, the entity's identification of risk may be incomplete, risk responses may be inappropriate, control activities may not be appropriately designed or implemented, information and communication may falter, and results of monitoring may not be understood or acted upon to remediate deficiencies.[81]

OIG found that CA management did not sufficiently evaluate the performance of CA's internal control system for the CSM program.[82] For example, the Department created various controls to evaluate IT systems in development. The results of these evaluations should have been used by management to assess progress and remediate any deficiencies. However, CA failed to ensure that such evaluations were completed. Additionally, the Department requires the development of internal controls, such as program monitoring plans,[83] to determine whether desired results are occurring. However, CA management did not regularly review such plans to ensure that adequate performance indicators[84] were developed and that responsible

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[78] Ibid.
[79] GAO-14-704G, page 21.
[80] Ibid.
[81] Ibid., page 22.
[82] Additionally, the Director of BP, serving in the role of the PMIO, has the responsibility to "[o]versee and ensure implementation of program and project management policies, including tools and techniques, established by the agency," according to OMB, Circular A-11, § 270.5.
[83] 18 FAM 301.4-3(b), "Monitoring."
[84] Ibid.

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individuals were monitoring the program. These actions are essential for the proper management of IT investments. OIG is therefore offering the following recommendations to address the identified conditions.

Recommendation 8: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, perform an internal control gap analysis related to program and project management of the Consular Systems Modernization program to identify key controls that are needed to comply with Government Accountability Office requirements for maintaining a sufficient internal control environment.

Management Response (CA): CA did not concur with the recommendation.

Management Response (BP): BP stated that an internal control gap analysis is a program or project management function that is the responsibility of the executing bureau. BP also stated that IRM should play a role in the process. BP further stated that CA should therefore coordinate with IRM rather than with BP.

OIG Reply: On the basis of CA's and BP's responses, OIG considers this recommendation unresolved. OIG encourages CA to coordinate with any bureaus that it believes can help it with improving program and project management, including IRM. However, because this recommendation relates to program and project management and BP is the PMIO, it is reasonable for BP to coordinate with CA to ensure that CA performs program and project management effectively.[85] This recommendation will be considered resolved when CA provides a plan of action for addressing this recommendation or provides an acceptable alternative that fulfills the intent of the recommendation. This recommendation will be closed when OIG receives documentation demonstrating that CA, in coordination with BP, performed an internal control gap analysis related to program and project management of the CSM program to identify key controls needed to comply with GAO requirements for maintaining a sufficient internal control environment.

Recommendation 9: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Information Resource Management, develop and implement a mechanism to track required IT governance reviews to ensure that all governance reviews of IT systems have been completed.

Management Response: CA and IRM concurred with the recommendation.

OIG Reply: On the basis of CA's and IRM's concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation

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[85] OMB, Circular A-11, § 270.5, states that the PMIO should "[c]ollaborate and partner with other management functions, bureaus, component program offices, and goal leaders to oversee and improve the execution of program management policies and processes that improve the effectiveness and efficiency of programs where needed."

will be closed when OIG receives documentation demonstrating that CA, in coordination with IRM, has developed and implemented a mechanism to track required IT governance reviews to ensure that all governance reviews of IT systems have been completed.

Recommendation 10: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, develop and implement a process to periodically assess program and project management activities related to the Consular Systems Modernization program.

Management Response (CA): CA partially concurred with the recommendation, stating that IRM should be added as a coordinating office.

Management Response (BP): BP concurred with the recommendation, stating that it will collaborate with CA to develop and implement a process to assess program and project management activities.

OIG Reply: On the basis of CA's and BP's concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. Although OIG encourages CA to coordinate with any bureaus that it believes can help it with improving program and project management, including IRM, OIG did not modify the recommendation as CA requested because of BP's designated role in program and project management across the Department. This recommendation will be closed when OIG receives documentation demonstrating that CA, in coordination with BP, has developed and implemented a process to periodically assess program and project management activities related to the CSM program.

Unqualified Project Managers

Another reason for the deficiencies OIG identified is that the Department had not always assigned qualified project managers[86] for the 17 identified CSM projects. According to the FAM, the project manager is responsible for managing resources and activities to meet technical objectives and satisfy user requirements by ensuring completion of the project plan and requirements analysis documents at the outset and is accountable for overall planning, direction, and execution.[87] Additionally, OMB guidance states that "[e]ffective program management requires a trained and competent workforce equipped with program management experience, knowledge, and expertise, including the use of critical thinking that supports decision-making to solve program management challenges."[88]

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[86] CST assigned Project Managers for specific projects in the CSM Program.

[87] 5 FAM 617.2(b)(1)-(2), "Project Manager."

[88] OMB, Circular A-11, § 270.15, "Improving program and project management will require agencies to focus on developing this management skillset. What actions should agencies take as part of PMIAA implementation related to program and project management workforce development and training?"

For IT investments, the FAM requires that each project have a project manager to oversee the investment and ensure progress toward project goals and deliverables.[89] The FAM also states that all IT project/program managers of IT investments must be qualified in accordance with the Department's IT Project Manager Program guidance.[90] In addition, the FAM[91] states that project managers must meet five basic requirements for managing an IT project:

- Have acceptable levels of experience, education, and training.[92]
- Successfully complete the Managing State Projects course.
- Successfully complete the Department's contracting course.
- Successfully complete the Department's mandatory leadership training program.
- Successfully complete continuing education requirements of 40 hours or more annually.

Of the seven project managers appointed to CSM projects, OIG found that none could provide a record of having taken the required Managing State Projects course or leadership training. In addition, none of the project managers could provide a record of having met the annual requirement for having earned 40 continuing professional education credits in project management. Furthermore, three of seven project managers stated that they did not believe they had received sufficient training to successfully execute the responsibilities of their respective positions. One project manager stated that he did not have the specific project experience to successfully perform his duties and had received no training other than the 3-day SAFe® training provided by CST. Table 2 details project the managers' compliance with experience and training requirements.

Table 2: Compliance With Project Manager Requirements

Project Manager	Experience,* Education and Training	Managing Projects Course	Contracting Course	Leadership Training	40 Hours of Continuing Education
1	Yes	No	Yes	No	No
2	Yes	No	Yes	No	No
3	No	No	Yes	No	No
4	Yes	No	Yes	No	No
5	Yes	No	Yes	No	No

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[89] 5 FAM 617.2(a).
[90] 5 FAM 621(b), "General."
[91] 5 FAM 623.2(a), "Project Manager Training Requirements."
[92] According to OMB, Circular A-11, § 270.5, agencies will ensure that IT programs and projects have trained and qualified program and project managers with the appropriate qualifications in accordance with the "approved Federal IT PM Guidance Matrix." This matrix was developed by the federal Chief Information Officers Council (https://www.cio.gov/policies-and-priorities).

Project Manager	Experience,[*] Education and Training	Managing Projects Course	Contracting Course	Leadership Training	40 Hours of Continuing Education
6	Yes	No	Yes	No	No
7	No	No	Yes	No	No

[*] Although Department policy does not specify requirements for adequate experience, the "Federal IT Project Manager Guidance Matrix," prepared by the federal Chief Information Officers Council, recommends, at a minimum, 1 or 2 years of combined successful project management and technical experience depending on project complexity (https://www.cio.gov/policies-and-priorities).
Source: OIG-generated from information obtained from CA.

OIG also found that CA did not consider the experience of personnel before assigning them to CSM project management positions. Specifically, CST's Scaled Agile Framework Guide did not provide guidance for selecting project managers or verifying that project managers met federal and Department qualifications.[93] According to CST officials, CST has a shortage of staff attributable to turnover. A prior OIG report[94] found that personnel vacancies within CST contributed to the delays in the CSM program. In August 2022, CST leadership personnel stated that they had received approval to hire 25 new employees. OIG is therefore offering the following recommendations to address the identified conditions.

> **Recommendation 11:** OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning and the Bureau of Information Resource Management, develop and implement a process to annually verify that designated project managers assigned to the Consular Systems Modernization program meet qualification requirements specified in 5 Foreign Affairs Manual 623.2 and the "Federal IT Project Manager Guidance Matrix."
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> **Management Response (CA):** CA did not concur with the recommendation, stating that IRM should be the only coordinating office.
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> **Management Response (BP):** BP did not concur with the recommendation, stating that it does not have a responsibility to implement a process to annually verify that project managers meet qualification requirements and therefore should not be included in the recommendation.
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> **Management Response (IRM):** IRM did not concur with the recommendation, stating that CA's program and project managers have access to training. IRM stated that it therefore should not be included in the recommendation.
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> **OIG Reply:** On the basis of CA's, BP's, and IRM's responses, OIG considers this recommendation unresolved. Because this recommendation relates to program and

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[93] Additionally, the Director of BP, serving in the role of the PMIO, is responsible for collaborating with and supporting Chief Information Officers to ensure that IT programs and projects have trained and qualified program and project managers with the appropriate qualifications according to the "Federal IT Project Manager Guidance Matrix," which is contained within OMB, Circular A-11, § 270.5.
[94] OIG, ISP-I-22-03, page 10.

project management and BP is the PMIO, it is reasonable for BP to coordinate with CA to ensure that CA performs program and project management effectively.[95] Furthermore, because this recommendation relates to a requirement developed by IRM, it is reasonable for IRM to coordinate with CA to ensure implementation. This recommendation will be considered resolved when CA provides a plan of action for addressing this recommendation or provides an acceptable alternative that fulfills the intent of the recommendation to verify that designated project managers are qualified. This recommendation will be closed when OIG receives documentation demonstrating that CA, in coordination with BP and IRM, has developed and implemented a process to annually verify that designated project managers assigned to the CSM program meet qualification requirements specified in 5 FAM 623.2 and the "Federal IT Project Manager Guidance Matrix."

Recommendation 12: OIG recommends that if project managers as described in Recommendation 11 are identified as not meeting qualification requirements, the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning and the Bureau of Information Resource Management, develop and implement a plan of action to provide training and guidance to the project managers so that they comply with 5 Foreign Affairs Manual 623.2 and the "Federal IT Project Manager Guidance Matrix."

Management Response (CA): CA did not concur with the recommendation, stating that IRM should be the only coordinating office.

Management Response (BP): BP did not concur with the recommendation, stating that it does not have the expertise or responsibility to apply the recommendation and therefore should not be included in the recommendation.

Management Response (IRM): IRM did not concur with the recommendation, stating that CA's program and project managers have access to training. IRM stated that it therefore should not be included in the recommendation.

OIG Reply: On the basis of CA's, BP's, and IRM's responses, OIG considers this recommendation unresolved. Because this recommendation relates to program and project management and BP is the PMIO, it is reasonable for BP to coordinate with CA to ensure that CA performs project and program management effectively.[96] Furthermore, because this recommendation relates to a requirement developed by IRM, it is reasonable for IRM to coordinate with CA to ensure implementation. This recommendation will be considered resolved when CA provides a plan of action for addressing this recommendation or provides an acceptable alternative that fulfills the

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[95] OMB, Circular A-11, § 270.5, states that the PMIO should "[c]ollaborate with and support [Chief Information Officers] to ensure IT programs and projects have trained and qualified program and project managers with the appropriate qualifications."
[96] Ibid., states that the PMIO should "[d]evelop, refine, or tailor training programs that enhance the practice of program management within the agency."

intent of the recommendation to provide sufficient training and guidance to designated project managers. This recommendation will be closed when OIG receives documentation demonstrating that CA, in coordination with BP and IRM, has developed and implemented a plan of action to provide training and guidance to project managers who are identified as not meeting qualification requirements, in accordance with 5 Foreign Affairs Manual 623.2 and the "Federal IT Project Manager Guidance Matrix."

Deficiencies Led to Delays in Completing Projects and Placed Future Projects at Risk

According to GAO, investments in IT can have a dramatic impact on an organization's performance. Well-managed IT investments that are carefully selected and focused on meeting mission needs can propel an organization forward, improving performance while reducing costs. Similarly, poor investments, those that are inadequately justified, or those with poorly managed costs, risks, and expected mission benefits can hinder and even restrict an organization's performance.[97] As the only federal organization that provides U.S. citizens with passports and other documents and services to facilitate travel abroad and support U.S. citizens residing overseas, it is critically important for CA to address the deficiencies with the CSM program before its aging legacy systems fail to ensure that CA can achieve its mission and realize the goals of the CSM program.

The deficiencies identified by OIG led to delays in completing CSM projects. OIG found that the Department expended at least $272 million to begin to modernize 90 legacy systems into one technology framework but had produced only one system that was fully deployed for public use, one system deployed for internal use, two systems that were being piloted but were not available to the entire public as of January 2023, and two systems that had been deployed to the public but that could not be used without other systems.[98] Table 3 shows the missed and limited release milestones for the first two CSM projects, which began development in 2014 and 2015, respectively (eCRBA and OPR). As of February 2023, neither project was fully available for use.[99]

Table 3: Missed Milestones for CSM's First Major Projects, OPR and eCRBA.

	OPR	eCRBA
Project Start Year	2014	2015
	OPR 1.0	eCRBA 1.0
Missed Release	March 2016	April 2017
Missed Release	November 2016	May 2017
Missed Release	April 2017	
Missed Release	November 2020	

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[97] GAO, *Assessing Risks and Returns: A Guide for Evaluating Federal Agencies' IT Investment Decision-making*, page 1 (GAO/AIMD-10.1.13, February 1997).

[98] OIG, ISP-I-22-03, page 5, also identified issues with missed deployment dates for CSM program components.

[99] Prior to the CSM contract, CST used existing contracts to begin developing OPR and eCRBA (in 2014 and 2015, respectively), but those contracts did not result in functional systems for the public, and the two projects were moved to the CSM contract in 2018. The two systems were being piloted as of January 2023.

	OPR	eCRBA
Missed Release	December 2021[a]	
Limited Release	August 2022	March 2019[b]
	OPR 1.1	**eCRBA 2.0**
Missed Release		November 2019
Missed Release		July 2020
Missed Release		August 2021
Missed Release	January 2023	
Limited Public Release[c]		March 2023
Planned Public Release[d]		May 2023
Planned Public Release[e]		July 2023

[a] According to a CST official, OPR was scheduled to be released in December 2021, but a global security vulnerability emerged. Therefore, a decision was made to delay the OPR release until a security review could be completed.
[b] eCRBA 1.0 enabled an online application process for the public to use at pilot posts but required manual data entry of the submitted application data into the legacy CRBA system by CA staff. In contrast, eCRBA 2.0 is intended to provide an end-to-end system for use by the public, with no manual entry of application data needed by CA staff.
[c] The first phase of the 3-phase global eCRBA release will include 19 additional pilot posts plus 6 posts that have requested to be a part of phase 1.
[d] Phase 2 will expand to 56 high-volume "consular report of birth abroad" posts.
[e] Phase 3 will include the remaining posts.
Source: OIG generated from information obtained from CA.

According to CST, 90 legacy systems need to be modernized into a common technology framework. Although modernization is not expected to be one-for-one, as some systems may be combined during modernization, only four systems have been completed in the first 4 years and 8 months of the 10-year CSM contract.[100] Given the lagging performance and missed milestones, and as the only federal organization that provides passport services and consular support to U.S. citizens, it is critically important that CA address the deficiencies with the CSM program in coordination with BP and IRM. If not, the remaining projects will be at risk of similarly not meeting their expected delivery dates. OIG is therefore offering the following recommendation.

Recommendation 13: OIG recommends that the Under Secretary for Management establish and oversee a working group with officials from key Department of State bureaus, including the Bureau of Budget and Planning, the Bureau of Information Resource Management, and the Bureau of Administration, to assist the Bureau of Consular Affairs in executing the Consular Systems Modernization program and its efforts to modernize and consolidate consular legacy IT systems into a common technology framework.

Management Response: The Under Secretary for Management concurred with OIG's assessment that greater oversight of the CSM program was needed. The Under

[100] Two of the projects (eCRBA and OPR) began prior to the CSM project.

Secretary for Management stated that he plans to establish a working group that will be led by CA and that will be required to report quarterly to him on the group's activities and progress. The Under Secretary also plans to have officials from the Office of the Under Secretary and the Office of Management Strategy and Solutions participate on the working group to elevate issues to the Under Secretary's attention.

OIG Reply: On the basis of the Under Secretary for Management's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that the Under Secretary for Management has established and has provided oversight for a working group with officials from key Department bureaus to assist CA in executing the CSM program and its efforts to modernize and consolidate consular legacy IT systems into a common technology framework.

Finding B: CA Contracting Officer's Representatives Did Not Administer the CSM Task Orders in Accordance With Requirements

OIG found that CA's CORs did not administer CSM task orders in accordance with applicable federal and Department requirements. Specifically, OIG found that invoice reviews were not properly documented, contractor reports could not be located, performance-based fees may have been improperly awarded, and Contractor Performance Assessment Report System (CPARS) reports were not completed in a timely manner. One reason for the deficiencies identified was that neither CA nor the Bureau of Administration's CO enforced the Department's policies for invoice reviews. In addition, neither CA nor the Bureau of Administration ensured that CORs were maintaining contract files in the Department's eFiling[101] system, as required. Furthermore, CA and the Bureau of Administration did not provide sufficient guidance on assessing contractor performance, and program managers' reports on contractor performance did not address agreed-upon criteria. Finally, CST officials were initially not aware that CORs needed to complete the CPARS reports for the four task orders.

Without documentary evidence that all invoice charges were reviewed and approved, the Department did not have reasonable assurance that federal funds were spent in accordance with contract terms. As a result, OIG is questioning unsupported costs of $14,291,001 associated with the four task orders reviewed for this audit. In addition, without timely receipt and review of all contractor reports, emerging problems, delays, or other issues of interest are more likely to go undetected. Furthermore, because CST has not adequately assessed contractor performance, unearned performance awards may have been provided. Finally, the untimely completion of CPARS places at risk not only the Department but also other federal agencies that rely on CPARS information when selecting contractors for the procurement of products and services.

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[101] COR eFiling is available within the Department's Integrated Logistics Management System for COs, contracting specialists, CORs, and program support staff to electronically compile all documentation required in COR files.

Invoice Reviews Were Not Properly Documented

According to the FAH, the COR is responsible for reviewing and approving the contractor's vouchers or invoices after adequately verifying the costs against supporting documentation.[102] In addition, the FAH states that the CO authorizes the COR to perform the function of approving invoices independently.[103] According to the FAR,[104] time-and-materials contracts provide no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, appropriate government surveillance of contractor performance is required to give reasonable assurance that efficient methods and effective cost controls are being used.

OIG selected 40 invoices for testing,[105] totaling $51,018,176, that were related to the four task orders selected for this audit. OIG found that of the 40 invoices, 13 invoices totaling $14,291,001 did not have supporting documentation that was sufficient to support payment approval. For example, OIG considered the documentation for an invoice to be insufficient if it lacked an invoice labor detail form[106] to support the labor hours worked by contractor employees. In addition, OIG could not verify that the invoices were processed properly because the CORs for the four selected task orders reviewed did not maintain records of their invoice reviews.[107] In a prior audit, OIG identified instances in which invoices related to other CST contracts did not have adequate supporting documentation.[108]

These deficiencies in contract monitoring occurred, in part, because CA did not enforce the Department's policies[109] for how CORs should perform invoice reviews. For example, CA did not require that CORs confirm that contractors' supporting documentation for billed labor hours was sufficient to support the approval for payments. Without documentary evidence that all invoice charges were reviewed and approved, the Department did not have reasonable assurance that federal funds were spent in accordance with contract terms. As a result, OIG is questioning unsupported costs of $14,291,001[110] associated with the four task orders and is offering the following recommendations.

> **Recommendation 14:** OIG recommends that the Bureau of Administration, in coordination with the Bureau of Consular Affairs, take the following actions: (a) determine whether the questioned costs of $511,249, which were considered unsupported for 3 of 10 invoices selected for testing from Task Order

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[102] 14 FAH-2 H-142(b)(15).
[103] 14 FAH-2 H-513(b)(6), "The Contracting Officer's Representative's (COR) Role in Contract Administration."
[104] FAR 16.601(c)(1).
[105] Appendix A provides details of the sample selection.
[106] Invoice labor detail forms include the contract line-item number, labor category, labor rate, contractor employee's name, dates worked, and hours worked for each billing period.
[107] FAR 1.604(c) requires CORs to maintain contract files that must include documentation of COR actions taken in accordance with the delegation of authority. Similarly, the FAH requires COR files to include copies of all invoices and vouchers, as well as any other pertinent information. 14 FAH-2 H-517(a)(13), (15).
[108] OIG, *Audit of the Bureau of Consular Affairs, Office of Consular Systems and Technology, Administration of Selected Information Technology Contracts* (AUD-CGI-17-38, May 2017), pages 15-17.
[109] 14 FAH-2 H-142(b)(15).
[110] Appendix B provides details of the questioned costs.

19AQMM18F3629, were supported and allowable, and (b) recover any costs determined to be unallowable, as shown in Table B.1.

Management Response: CA and the Bureau of Administration concurred with the intent of the recommendation, stating that both bureaus believed that the Bureau of Administration should be the action office for the recommendation. The Bureau of Administration also stated that it had engaged the Defense Contract Audit Agency to audit the subject CSM contract and that it planned to assess the invoices identified in the OIG report. The Bureau of Administration planned to proactively address any costs that require additional scrutiny.

OIG Reply: At the request of the Bureau of Administration and CA, OIG modified the recommendation to identify the Bureau of Administration as the action office and CA as the coordinating office. On the basis of the Bureau of Administration's and CA's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration, in coordination with CA, took the following actions: (a) determined whether the questioned costs of $511,249, which were considered unsupported for 3 of 10 invoices selected for testing from Task Order 19AQMM18F3629, were supported and allowable and (b) recovered any costs determined to be unallowable.

Recommendation 15: OIG recommends that the Bureau of Administration, in coordination with the Bureau of Consular Affairs, take the following actions: (a) determine whether the questioned costs of $13,779,756, which were considered to be unsupported for the 10 invoices selected for testing from Task Order 19AQMM19F1686, were supported and allowable and (b) recover any costs determined to be unallowable, as shown in Table B.1.

Management Response: CA and the Bureau of Administration concurred with the intent of the recommendation, stating that both bureaus believed that the Bureau of Administration should be the action office for the recommendation. The Bureau of Administration also stated that it had engaged the Defense Contract Audit Agency to audit the subject CSM contract and that it planned to assess the invoices identified in the OIG report. The Bureau of Administration planned to proactively address any costs that require additional scrutiny.

OIG Reply: At the request of the Bureau of Administration and CA, OIG modified the recommendation to identify the Bureau of Administration as the action office and CA as the coordinating office. On the basis of the Bureau of Administration's and CA's concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration, in coordination with CA, has taken the following actions: (a) determined whether the questioned costs of $13,779,756, which were considered to be unsupported for the 10

invoices selected for testing from Task Order 19AQMM19F1686, were supported and allowable and (b) recovered any costs determined to be unallowable.

Recommendation 16: OIG recommends that the Bureau of Administration, in coordination with the Bureau of Consular Affairs, develop and implement bureau-specific procedures requiring CA's assigned Contracting Officer's Representatives to (a) maintain documentation of their invoice review that demonstrates that costs and supporting documentation were verified and (b) confirm that labor hours billed had supporting documentation that was sufficient to support the approval for payments.

Management Response: CA and the Bureau of Administration concurred with the intent of the recommendation, stating that both bureaus believed that the Bureau of Administration should be the action office for the recommendation. The response also stated that the COR is responsible for ensuring that files contain all documentation necessary to support labor hours billed and sufficient support for the approval of all payments. The Bureau of Administration does not want to dictate invoice review processes to bureaus other than what is already included in the FAR and the Department of State Acquisition Regulation. Other bureaus have invoice reconciliation processes in place, and the Bureau of Administration does not want to contradict them.

OIG Reply: At the request of the Bureau of Administration and CA, OIG modified the recommendation to identify the Bureau of Administration as the action office and CA as the coordinating office. On the basis of the Bureau of Administration's and CA's response, OIG considers this recommendation unresolved. Although the response states that the bureaus concurred with the recommendation, the response also indicates that the Bureau of Administration did not plan to take action to address the recommendation.

This recommendation will be considered resolved when the Bureau of Administration provides a plan of action for addressing this recommendation or provides an acceptable alternative that fulfills the intent of the recommendation to improve CA's process and practices in contract administration. This recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration, in coordination with CA, has developed and implemented CA-specific procedures requiring CA's assigned CORs to (a) maintain documentation of their invoice review that demonstrates that costs and supporting documentation were verified and (b) confirm that labor hours billed had supporting documentation that was sufficient to support the approval for payments.

Required Contractor Reports Could Not Be Located

According to the statements of work for the four selected task orders, the contractor was required to provide CST with weekly (approximately 13 of each status report for each quarter), monthly (3 of each status report for each quarter), and quarterly reports (1 of each type of

status report) to communicate issues of interest to CST management.[111] To test whether CORs ensured that contractors provided the required weekly, monthly, and quarterly status reports, OIG requested that the assigned CORs provide the required reports for 2 quarters for each of the four task orders reviewed for this audit.[112] OIG found that the CORs were unable to locate and provide OIG with all of the weekly, monthly, and quarterly status reports that the contractor was required to provide to the Department or otherwise demonstrate that the contractor reports had been received and reviewed. The number of missing status reports for the quarters tested between April 2019 and September 2021 are shown in Table 4.

Table 4: Number of Missing Status Reports Between April 2019 and September 2021*

Report	Required Reports for Selected Quarters	Number (Percent) of Missing Reports for Selected Quarters
Weekly Activity Report	104	45 (43)
Monthly Contract Status Report	24	8 (33)
Monthly Project Metrics Report	24	8 (33)
Monthly Risk Register Report	12	4 (33)
Monthly Project Level Release Report	6	6 (100)
Monthly Project Schedules Report	6	6 (100)
Monthly Domestic Staffing Models Report	6	0 (0)
Quarterly Lightweight Business Case Report	8	7 (88)
Quarterly Vision Document Report	8	7 (88)
Quarterly Roadmap Report	8	7 (88)
Quarterly Program Increment Prospectus Report	8	7 (88)

* OIG also reported in AUD-CGI-17-38 that CST did not enforce a requirement for contractors to provide required reports.
Source: OIG generated based on an analysis of status reports provided by CST.

The deficiencies in contractor deliverables occurred because neither CA nor the Bureau of Administration ensured that the CORs were properly maintaining contract files in accordance with Department policy. Specifically, the deficiencies were due, at least in part, to inadequate internal controls over the maintenance of contract files and required documentation. In February 2017, the Bureau of Administration mandated the use of eFiling for domestic and overseas COs and CORs effective May 1, 2017.[113] The FAH also requires CORs to use the eFiling module for COR file management because it is deployed in the Integrated Logistics

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[111] The required reports included weekly activity reports, monthly status reports, and quarterly Scaled Agile reports.

[112] Appendix A provides details of the sample selection methodology.

[113] Bureau of Administration, Memorandum 17-04, "Electronic Contract Files," February 1, 2017, and Bureau of Administration, Office of the Procurement Executive, Procurement Information Bulletin No. 2020-04, "Electronic Contract Filing (eFiling)" (June 4, 2020).

Management System.[114]OIG concluded, based on testing and discussions with CA officials, that the mandated use of eFiling by the CORs assigned to CSM had not been fully accepted. Until this deficiency is corrected, emerging problems, delays, or other issues of interest to CA and Bureau of Administration management could go undetected and unresolved. OIG is therefore offering the following recommendation.

> **Recommendation 17:** OIG recommends that the Bureau of Administration, in coordination with the Bureau of Consular Affairs, develop and implement procedures to ensure that the Contracting Officer's Representatives (COR) administering contracts related to Consular Systems Modernization maintain files in the mandated eFiling module of the Integrated Logistics Management System in accordance with 14 Foreign Affairs Handbook-2 H-142(b)(16)(b) and that the files include all required reports from contractors.

> **Management Response:** CA and the Bureau of Administration concurred with the intent of the recommendation, stating that both bureaus believed that the Bureau of Administration should be the action office for the recommendation. The response also stated that the Department has a policy that mandates eFiling, which includes all reports, invoices, and correspondence. The response further stated that the COR has responsibility for establishing and maintaining COR files within eFile.

> **OIG Reply:** At the request of the Bureau of Administration and CA, OIG modified the recommendation to identify the Bureau of Administration as the action office and CA as the coordinating office. On the basis of the Bureau of Administration's and CA's responses, OIG considers this recommendation unresolved. Although the responses stated that the bureaus concurred with the recommendation, the responses also indicated that the Bureau of Administration did not plan to take action to address the recommendation. OIG is aware of the requirement for CORs to establish and maintain their files in eFiling. However, as identified in the report, OIG found that CA's CORs were not using eFiling as required. Therefore, additional controls are essential.

> This recommendation will be considered resolved when the Bureau of Administration provides a plan of action for addressing this recommendation or provides an acceptable alternative that fulfills the intent of the recommendation to ensure that CORs comply with Department requirements. This recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration, in coordination with CA, has developed and implemented procedures to ensure that the CORs administering contracts related to CSM maintain files in the mandated eFiling module of the Integrated Logistics Management System in accordance with 14 FAH-2 H-142(b)(16)(b) and that the files include all required reports from contractors.

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[114] 14 FAH-2 H-142(b)(16)(b).

Performance Based Fees May Have Been Improperly Awarded

According to the FAR, a CPAF contract is a cost-reimbursement contract that provides for a fee consisting of a base amount fixed at inception of the contract (if applicable and at the discretion of the CO) and an award amount that the contractor may earn in whole or in part during performance.[115] The intent of the award amount is to provide motivation for excellence in the areas of cost, schedule, and technical performance. According to AQM, the CPAF document also serves as the task order's quality assurance surveillance plan. Quality assurance surveillance plans should specify all work requiring surveillance and the method of surveillance.[116]

OIG found that although the contractor missed milestones and CA's IV&V process identified deficiencies with deliverables, CST consistently provided "excellent" evaluations in its award fee determination reports for CSM projects from 2019 to 2021 and "good" in September of 2021. For example, OIG found that CSM program work that was submitted by CA for IV&V[117] between September 1, 2018, and November 2, 2021, failed[118] 104 of 192 times (54 percent) and included 343 defects.[119] A CST official stated that 92 percent of those defects should have been identified prior to delivery. Based on CST's determinations of excellent contractor performance, the contractor received between 93 and 97 percent of all funding allotted for performance pay from September 2019 to February 2021, which totaled $3.95 million.

In September 2021, CST issued a more critical award fee determination report that awarded the contractor a cumulative score of 58.84, the lowest award since the contract began, yet awarded the contractor over $1.7 million despite 9 pages of comments related to work deficiencies and failures and defects identified with deliveries at IV&V. Some of the comments included in the September 2021 report related to deficiencies that had occurred in prior periods but had not been reported at the time they occurred. For example, one comment stated that the IV&V process identified a major or critical defect in June 2020 during the installation and configuration of the performance testing environment that was not resolved until 1 year later. This major defect was not reported in the September 2020 or the February 2021 award fee determination reports (the contractor received excellent ratings in those reports). In another example, the September 2021 report stated that the contractor continued to miss major milestones, a fact that was not reported in the previous reports.

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[115] FAR 16.405-2, "Cost-plus-award-fee contracts."
[116] FAR 46.401(a), "General."
[117] IV&V is a comprehensive review, analysis, and testing, performed by an objective third party to confirm that the requirements are correctly defined, and to confirm that the system correctly implements the required functionality and security requirements.
[118] A failure is a formal rejection of a release by IV&V.
[119] A defect indicates a weakened state of security that increases risk.

The inflated evaluations occurred, in part, because insufficient guidance was provided to complete the assessment in the CPAF plan.[120] Specifically, OIG found that the CPAF plan included a section with instructions for performance monitors, such as project managers, but did not provide sufficient guidance on how to use the criteria included in the CPAF plan to assess contractor performance. As a result, CA project managers did not use the criteria identified in the CPAF plan to prepare the contractor performance reports. Instead, according to one CA official, project managers provided short, subjective written responses related to contractor performance during the period and that the approved performance measures needed to be updated to better evaluate contractor performance. Another CA official stated that the input being provided was not useful feedback. That same CA official stated that because of the insufficient information being provided by project managers, CA was modifying its standard report format.

OIG reviewed 10 contractor performance reports submitted by project managers to the COR during May 2022 and found that neither the evaluation criteria nor the performance measures developed by CA and agreed upon by the contractor had been assessed.[121] For example, the comments provided by the project managers did not clearly link to the factors developed to award funding. Furthermore, OIG found that the section of the template that project managers were supposed to complete to "score" the contractor (Part I) was blank or were not included in 7 of 10 reports reviewed. For the other 3 reports, project managers provided short (one- or two-sentence) comments that did not provide sufficient information to assess performance.

The use of award fees to motivate contractor excellence in the areas of cost, schedule, and technical performance can be beneficial when managing complex IT infrastructure investment projects. However, award fees can also have great liabilities when improperly used or when not accompanied by a quality assurance surveillance plan. Because CA officials had not appropriately assessed contractor performance, unearned performance awards may have been provided. OIG is therefore offering the following recommendation.

> **Recommendation 18:** OIG recommends that the Bureau of Administration, in coordination with the Bureau of Consular Affairs, develop and implement guidance related to the proper use and development of cost-plus-award-fee contractor performance reports.
>
> **Management Response:** CA and the Bureau of Administration concurred with the intent of the recommendation, stating that both bureaus believed that the Bureau of Administration should be the action office for the recommendation. The response also

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[120] The CPAF plan included a 6-page table that was broken down into two performance areas—technical performance and administration. The CPAF plan indicated that the technical performance area should consider quality of work and story success as two of its factors and that the administration area should consider cost and schedule management and program management. The CPAF provided criteria to assist in categorizing performance into five ratings based on a point scale.

[121] The template used by project managers to assess contractor performance is shown in Appendix C.

states that the Bureau of Administration and CA will work to ensure that there are appropriate quality assurance metrics and linkage to the acquisition objectives.

OIG Reply: At the request of the Bureau of Administration and CA, OIG modified the recommendation to identify the Bureau of Administration as the action office and CA as the coordinating office. On the basis of the Bureau of Administration's and CA's concurrence with the recommendation and planned action, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that the Bureau of Administration, in coordination with CA, has developed and implemented guidance related to the proper use and development of cost-plus-award-fee contractor performance reports.

Contractor Performance Assessment Reporting System Reports Were Not Completed in a Timely Manner

According to the FAR, agencies shall use CPARS[122] metric tools to measure the quality and timely reporting of past performance information.[123] In addition, the FAR states that past performance evaluations shall be prepared at least annually and at the time the work under a contract or task order is completed.[124] Furthermore, according to the CPARS guidance,[125] all evaluations are due within 120 calendar days after the end of the period of performance. OIG found that for the four selected task orders reviewed for this audit, the CPARS reports were not completed in a timely manner. Specifically, the time for completion ranged from 9-to-28 months after the end of the period of performance. Details of the overdue CPARS reports for each of the four selected task orders are provided in Table 5.

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[122] CPARS is an online federal web application that is used to collect and manage contractor evaluations.
[123] FAR 42.1501(b), "General."
[124] FAR 42.1502(a), "Policy."
[125] CPARS user guidance issued April 2022.

Table 5: Overdue CPARS Reports

Task Order	Period of Performance	CPARS Completion Date	Number of Months to Complete
19AQMM18F3629	September 30, 2018 - September 29, 2019	January 19, 2022	28
19AQMM18F3629	September 30, 2019 - September 29, 2020	April 20, 2022	19
19AQMM18F4947	September 30, 2018 - September 29, 2019	January 26, 2022	16
19AQMM18F4947	September 30, 2019 - August 3, 2020	April 15, 2022	20
19AQMM19F1686	June 28, 2019 - June 26, 2020	January 24, 2022	19
19AQMM19F1686	June 27, 2020 - September 27, 2020	April 15, 2022	19
19AQMM20F2282	August 4, 2020 - August 3, 2021	April 20, 2022	9

Source: OIG generated based on performance data obtained from the four task orders selected for testing and the audit methodology employed to assess CA monitoring of contractor performance.

According to one COR, CST officials were initially not aware that CORs needed to complete the CPARS reports for the four task orders. However, once the requirement was identified, CST officials completed and submitted the overdue reports in CPARS. Nonetheless, the timely completion of CPARS is necessary to protect not only the Department but also other federal agencies that rely on CPARS information when selecting contractors for the procurement of products and services. OIG is therefore offering the following recommendation.

> **Recommendation 19:** OIG recommends that the Bureau of Administration, in coordination with the Bureau of Consular Affairs, develop and implement procedures to ensure that Contracting Officer's Representatives who oversee Consular Systems Modernization program task orders complete and submit reports in the Contractor Performance Assessment Reporting System within the required 120 days.

> **Management Response:** CA and the Bureau of Administration concurred with the intent of the recommendation, stating that both bureaus believed that the Bureau of Administration should be the action office for the recommendation. The response also stated that the COR must initiate a CPARS record that aligns with regulatory timeframes. However, the response stated that it is possible that the CPARS was done for the contract but not for each task order.

> **OIG Reply:** At the request of the Bureau of Administration and CA, OIG modified the recommendation to identify the Bureau of Administration as the action office and CA as the coordinating office. On the basis of the Bureau of Administration's and CA's concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives

documentation demonstrating that the Bureau of Administration, in coordination with CA, has developed and implemented procedures to ensure that CORs who oversee CSM program task orders complete and submit reports in CPARS within the required 120 days.

OTHER MATTERS

CA Did Not Develop and Execute an Acquisition Plan in a Timely Manner for the Consular Systems Modernization Program

According to the FAH, acquisition planning is the key to the effective use of public funds and the economical accomplishment of program objectives.[126] The FAR notes that acquisition planning should begin as soon as the agency need is identified, preferably well in advance of the fiscal year in which contract award or order placement is necessary.[127] Additionally, the FAR states that agency heads must ensure that the statement of work is closely aligned with performance outcomes and cost estimates.[128]

Although CA announced the launch of CSM in March 2012, OIG found that CA did not publish an acquisition plan[129] until June 2016—51 months after the announcement. AQM officials stated that CST's initial acquisition plan was scrapped in mid-2016 because the technical specifications in the statement of work were ambiguous and insufficiently clear to garner industry interest. CST then submitted a new acquisition plan to AQM in April 2017—approximately 61 months after the program's initial announcement. However, OIG noted that the plan that was provided was unsigned, which was not in compliance with the Department requirement that the plan must be reviewed and approved by the CA Assistant Secretary.[130]

The initial and revised acquisition plans stated that the estimated costs for the project were $374 million and $373 million, respectively; however, the award notice posted in 2018 stated a value of $434 million. In May 2018—74 months after the project's initial announcement—the Department awarded the contract with a ceiling of $850 million—$476 million more than the estimated cost. CST could not provide documentation to support the rationale for contract type selection and cost determination.

Because many officials involved with the original acquisition plan for CSM were no longer with CA at the time of OIG's audit, as well as insufficient record-keeping, CA could not explain why the CSM acquisition process lacked technical specifications and took 74 months. However, OIG

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[126] 14 FAH-2 H-321(a), "General."
[127] FAR 7.104(a), "General procedures."
[128] FAR §7.103(f), "Agency-head responsibilities."
[129] FAR 2.101, "Definitions," indicates that an acquisition plan is a comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition.
[130] AQM Memorandum 15-10, "Acquisition Plans," page 1, states that formal acquisition plans for service contracts of more than $25 million must also be approved by the requiring office's Assistant Secretary prior to being submitted to AQM.

found that one reason could be attributed to CST's Procurement Guide, which did not contain all FAR requirements.[131] In addition, CST leadership did not provide sufficient oversight of the process.

Because CA's original procurement package submitted to AQM lacked the technical specifications needed, the acquisition process had to be started over, causing a delay of approximately 58 months. In 2014, that delay led CST officials to use existing contracts to begin two CSM projects (eCRBA and OPR) in an attempt to keep system modernization efforts moving forward. These two efforts cost approximately $72 million and provided no products available for public use. In 2018 and 2019, the two tasks were moved to the CSM contract. As of January 2023, both projects were available for use only by limited public participants and during limited time periods.[132] To promote the effective use of public funds and to advance the CSM program, OIG is offering the following recommendation.

> **Recommendation 20:** OIG recommends that the Bureau of Consular Affairs update the Consular Systems and Technology Procurement Guide to add requirements for acquisition planning, including the contents of written acquisition plans, as specified in Federal Acquisition Regulation 7.103 and 7.105.
>
> **Management Response:** CA concurred with the recommendation.
>
> **OIG Reply:** On the basis of CA's concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that CA has updated the Consular Systems and Technology Procurement Guide to add requirements for acquisition planning, including the contents of written acquisition plans, as specified in FAR 7.103 and 7.105.

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[131] FAR 7.105, "Contents of written acquisition plans."

[132] According to a CST official, OPR was scheduled to be released in December 2021, but a global security vulnerability emerged, so a decision was made to delay the OPR release until a security review could be completed. In addition, a CST official stated that OPR version 1.0 was released in February 2022 with limited participants to allow staff to train on the application and allow for issues to be addressed before wide release. Regarding eCRBA, version 1.0 enabled the public to use an online application process at pilot posts but required manual data entry into the legacy CRBA system by CA staff, according to a CST official.

RECOMMENDATIONS

Recommendation 1: OIG recommends that the Bureau of Consular Affairs (CA), in coordination with the Bureau of Budget and Planning, develop and implement a risk-based methodology to select programs for evaluation. CA should include the amount of funds invested and the risk to its portfolio as factors considered in the methodology.

Recommendation 2: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Information Resource Management, develop and implement a process to annually ensure that all IT projects related to the Consular Systems Modernization program are registered in the Integrated Management, Analytics, and Technology Resource for Information Exchange system, in accordance with 5 Foreign Affairs Manual 611.

Recommendation 3: OIG recommends that the Bureau of Budget and Planning update 18 Foreign Affairs Manual 300 to specify which requirements (including what documentation is required) apply to Department of State bureaus and offices using Agile (or Agile-related) program or project management methodologies.

Recommendation 4: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, map control gates for the program management methodology used for the Consular Systems Modernization program to the Department of State's Managing State Projects guidance, as required by 5 Foreign Affairs Handbook-5 H-211.

Recommendation 5: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, develop and implement a plan to create documentation required by Department of State program and project management guidance (including 18 Foreign Affairs Manual 300) for the overall Consular Systems Modernization program and discrete projects related to the program. This documentation would include, but not be limited to, a program monitoring plan, a logic model, and a situational analysis.

Recommendation 6: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, reassess the current program management methodology used to manage and monitor the Consular Systems Modernization program to determine whether it is the most effective option.

Recommendation 7: OIG recommends that if, following implementation of Recommendation 6, the Bureau of Consular Affairs (CA) determines that its current program management methodology is not optimal, CA should develop and implement a plan of action, in coordination with the Bureau of Budget and Planning, to adopt a different program and project management methodology that aligns with Department of State program and project management guidance.

Recommendation 8: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, perform an internal control gap analysis related to program and project management of the Consular Systems Modernization program to identify key

controls that are needed to comply with Government Accountability Office requirements for maintaining a sufficient internal control environment.

Recommendation 9: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Information Resource Management, develop and implement a mechanism to track required IT governance reviews to ensure that all governance reviews of IT systems have been completed.

Recommendation 10: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, develop and implement a process to periodically assess program and project management activities related to the Consular Systems Modernization program.

Recommendation 11: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning and the Bureau of Information Resource Management, develop and implement a process to annually verify that designated project managers assigned to the Consular Systems Modernization program meet qualification requirements specified in 5 Foreign Affairs Manual 623.2 and the "Federal IT Project Manager Guidance Matrix."

Recommendation 12: OIG recommends that if project managers as described in Recommendation 11 are identified as not meeting qualification requirements, the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning and the Bureau of Information Resource Management, develop and implement a plan of action to provide training and guidance to the project managers so that they comply with 5 Foreign Affairs Manual 623.2 and the "Federal IT Project Manager Guidance Matrix."

Recommendation 13: OIG recommends that the Under Secretary for Management establish and oversee a working group with officials from key Department of State bureaus, including the Bureau of Budget and Planning, the Bureau of Information Resource Management, and the Bureau of Administration, to assist the Bureau of Consular Affairs in executing the Consular Systems Modernization program and its efforts to modernize and consolidate consular legacy IT systems into a common technology framework.

Recommendation 14: OIG recommends that the Bureau of Administration, in coordination with the Bureau of Consular Affairs, take the following actions: (a) determine whether the questioned costs of $511,249, which were considered unsupported for 3 of 10 invoices selected for testing from Task Order 19AQMM18F3629, were supported and allowable, and (b) recover any costs determined to be unallowable, as shown in Table B.1.

Recommendation 15: OIG recommends that the Bureau of Administration, in coordination with the Bureau of Consular Affairs, take the following actions: (a) determine whether the questioned costs of $13,779,756, which were considered to be unsupported for the 10 invoices selected for testing from Task Order 19AQMM19F1686, were supported and allowable and (b) recover any costs determined to be unallowable, as shown in Table B.1.

Recommendation 16: OIG recommends that the Bureau of Administration, in coordination with the Bureau of Consular Affairs, develop and implement bureau-specific procedures requiring CA's assigned Contracting Officer's Representatives to (a) maintain documentation of their invoice review that demonstrates that costs and supporting documentation were verified and (b) confirm that labor hours billed had supporting documentation that was sufficient to support the approval for payments.

Recommendation 17: OIG recommends that the Bureau of Administration, in coordination with the Bureau of Consular Affairs, develop and implement procedures to ensure that the Contracting Officer's Representatives (COR) administering contracts related to Consular Systems Modernization maintain files in the mandated eFiling module of the Integrated Logistics Management System in accordance with 14 Foreign Affairs Handbook-2 H-142(b)(16)(b) and that the files include all required reports from contractors.

Recommendation 18: OIG recommends that the Bureau of Administration, in coordination with the Bureau of Consular Affairs, develop and implement guidance related to the proper use and development of cost-plus-award-fee contractor performance reports.

Recommendation 19: OIG recommends that the Bureau of Administration, in coordination with the Bureau of Consular Affairs, develop and implement procedures to ensure that Contracting Officer's Representatives who oversee Consular Systems Modernization program task orders complete and submit reports in the Contractor Performance Assessment Reporting System within the required 120 days.

Recommendation 20: OIG recommends that the Bureau of Consular Affairs update the Consular Systems and Technology Procurement Guide to add requirements for acquisition planning, including the contents of written acquisition plans, as specified in Federal Acquisition Regulation 7.103 and 7.105.

APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

The Office of Inspector General (OIG) conducted this audit to determine whether the Department of State (Department) applied project management principles governing the management and administration of IT investments to realize the goals of the Bureau of Consular Affairs' (CA) Consular Systems Modernization (CSM) program.

OIG conducted this audit from April to November 2022 in the Washington, DC, metropolitan area. The scope of this audit was the 46 task orders associated with CA's systems modernization efforts that were awarded between FY 2014 and FY 2021. Of the 46 task orders, officials from CA's Office of Consular Systems and Technology (CST) identified 13 task orders that were directly associated with the CSM initiative. OIG conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objective.

To obtain background information for this audit, OIG researched and reviewed federal guidance and Department policies and procedures relating to the development and administration of IT investments. Specifically, OIG reviewed the Federal Acquisition Regulation (FAR), the Foreign Affairs Manual, the Foreign Affairs Handbook, the Department of State Acquisition Regulation, and the statements of work for the task orders selected for review. OIG also conducted interviews with CST officials who had direct responsibility for the CSM contracts and IT investments. Additionally, OIG reviewed and analyzed documentation pertinent to the audit and reviewed the Contracting Officer's Representatives' files to determine whether the files were properly established and maintained in accordance with the FAR and Department guidance. OIG also reviewed a sample of contractor deliverables, contractor performance monitoring documents, and invoices.

Data Reliability

OIG used computer-processed data to support findings and conclusions presented in this report. Specifically, OIG used computer-processed data provided by CST to identify the universe of task orders associated with the CSM program that were awarded between FY 2014 and FY 2021. To assess the accuracy and completeness of the universe of task orders associated with the CSM program awarded between FY 2014 and FY 2021, OIG compared computer-processed data from the Global Financial Management System[1] with the original data provided by CST. In addition, OIG used computer-processed data from CST's SharePoint site to identify the universe of invoices to be selected for the task orders associated with the CSM program. To assess the accuracy and completeness of the universe of invoices to be selected for the task

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[1] The Global Financial Management System is the Department's official financial management system that records and tracks all financial transactions including payments, accounts receivable data, and cash receipts to outside vendors, individuals, and employees.

orders associated with the CSM program, OIG compared computer-processed data from the Global Financial Management System and the Invoice Processing Platform system[2] with the original data provided by CST. OIG determined that the data collectively were sufficiently reliable for the purpose of meeting the objective of this audit.

Work Related to Internal Control

During the audit, OIG considered a number of factors, including the subject matter of the project, to determine whether internal control was significant to the audit objective. Based on its consideration, OIG determined that internal control was significant for this audit. OIG then considered the components of internal control and the underlying principles included in the *Standards for Internal Control in the Federal Government*[3] to identify internal controls that were significant to the audit objective. Considering internal control in the context of a comprehensive internal control framework can help auditors determine whether underlying internal control deficiencies exist.

For this audit, OIG concluded that three of five internal control components from the *Standards for Internal Control in the Federal Government*—Control Environment, Information and Communication, and Monitoring—were significant. The Control Environment component is the foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives. The Information and Communication component relates to the quality information that management and personnel communicate and use to support the internal control system. The Monitoring component relates to activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other review. OIG also concluded that five of the principles related to the selected components were significant to the audit objective, as described in Table A.1.

Table A.1: Internal Control Components and Principles Identified as Significant

Components	Principles
Control Environment	Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.
Control Environment	Management should evaluate performance and hold individuals accountable for their internal control responsibilities.
Information and Communication	Management should use quality information to achieve the entity's objectives.

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[2] The Invoice Processing Platform is a shared service provided by the Department of the Treasury that allows the Department to streamline domestic invoice processing.

[3] Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

Components	Principles
Information and Communication	Management should externally communicate the necessary quality information to achieve the entity's objectives.
Monitoring	Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

Source: OIG generated from an analysis of internal control components and principles from the Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

OIG then interviewed pertinent officials; reviewed relevant documents; and performed walkthroughs of the contract deliverables, performance monitoring, and invoice review processes to obtain an understanding of the internal controls related to the components and principles identified as significant to this audit. OIG performed procedures to assess the design and implementation of key internal controls as follows:

- Reviewed the CSM acquisition plan to determine whether it was developed as prescribed by the FAR and Department policies and procedures.
- Reviewed the CSM monitoring plan to determine whether it included tasks, schedules, and resources as identified as a best practice.
- Determined whether the COR ensured that the contractor provided contract deliverables in a timely manner.
- Reviewed performance monitoring documentation to determine whether the COR evaluated the contractor's performance based on the metrics identified in the task order.
- Tested a sample of invoices to determine whether contracting officials reviewed and approved invoices and associated documents in a timely manner in accordance with prescribed standards.

Internal control deficiencies identified during the audit that are significant within the context of the audit objective are presented in the Audit Results section of this report.

Sampling Methodology

One sampling objective was to select task orders associated with CA's indefinite delivery, indefinite quantity (IDIQ) contract to determine the extent to which CA administered CSM contracts in accordance with federal laws and regulations and Department requirements. A second sampling objective was to select deliverables associated with selected task orders to determine whether they were provided in a timely manner. The third sampling objective was to select invoices for testing to determine whether documentation was sufficient to support contracting officials' approval for payment.

Task Order Selection Methodology

OIG identified 46 task orders that were associated with CA's modernization efforts that were awarded between FY 2014 and FY 2021. Of the 46 task orders, officials from CST identified 13 task orders, totaling $281,785,117, that were directly associated with the CSM initiative. From the 13 task orders, OIG selected four task orders, with an obligation amount over $10 million,

that were awarded since 2018, which totaled $152 million in obligated funds. These four task orders were 13 percent of the universe. Details of the task orders selected for review are shown in Table A.2.

Table A.2: Selected Task Orders

Task Order	Period of Performance	Obligated Amount
19AQMM18F3629	September 30, 2018 - September 29, 2020	$10,821,141
19AQMM18F4947	September 30, 2018 - September 29, 2020	$29,618,237
19AQMM19F1686	June 28, 2019 - September 27, 2020	$19,517,550
19AQMM20F2282	August 4, 2020 - August 3, 2025	$92,153,949
Total		**$152,110,877**

Source: OIG generated based on the testing methodology employed for this audit.

Contractor Deliverables Selection Methodology

OIG used a random-number generator to select 2 quarters for each of the four task orders selected for testing. OIG assessed compliance with the contractor deliverable requirements included in the statements of work for each of the 2 quarters selected. Specifically, OIG reviewed available weekly, monthly, and quarterly case status reports[4] associated with the quarters selected for review. Details of the quarters selected for each task order are shown in Table A.3.

Table A.3: Selection of Fiscal Year Quarters

Task Order	Quarter and Fiscal Year
19AQMM18F3629	Quarter 3, FY 2019
19AQMM18F3629	Quarter 3, FY 2020
19AQMM18F4947	Quarter 2, FY 2019
19AQMM18F4947	Quarter 2, FY 2020
19AQMM19F1686	Quarter 4, FY 2019
19AQMM19F1686	Quarter 1, FY 2020
19AQMM20F2282	Quarter 1, FY 2021
19AQMM20F2282	Quarter 4, FY 2021

Source: OIG generated based on the testing methodology used for this audit.

[4] Specifically, OIG reviewed available activity reports (weekly); contract status, domestic staffing model, project management, project metric, and risk register open cases reports (monthly); and Agile lightweight business case, vision document, roadmap, and program increment prospectus reports (quarterly).

Invoice Selection Methodology

The four selected task orders had 151 invoices, valued at $151,090,924, that were paid between October 2018 and April 2022. OIG selected 10 invoices for each task order for review. Details of the number and value of invoices selected for review are provided in Table A.4.

Table A.4: Invoices Selected

Task Order	Number of Invoices Reviewed	Invoice Value Reviewed
19AQMM18F3629	10	$1,806,197
19AQMM18F4947	10	$4,696,200
19AQMM19F1686	10	$13,779,756
19AQMM20F2282	10	$30,736,023
Total	**40**	**$51,018,176**

Source: Generated by OIG from data obtained from CA.

Task Order 19AQMM18F3629

OIG identified 22 invoices during the scope period for this task order, totaling $3,668,816. OIG selected a random sample of 10 invoices, totaling $1,806,197, using a random number generator.

Task Order 19AQMM18F4947

OIG identified 55 invoices during the scope period for this task order, totaling $23,560,813. OIG selected a random sample of 10 invoices, totaling $4,696,200, using a random number generator.

Task Order 19AQMM19F1686

OIG identified 16 invoices during the scope period for this task order, totaling $19,517,550. OIG selected a random sample of 10 invoices, totaling $13,779,756, using a random number generator.

Task Order 19AQMM20F2282

OIG identified 58 invoices during the scope period for this task order, totaling $92,153,949. OIG selected a random sample of 10 invoices, totaling $30,736,023, using a random number generator.

Prior Office of Inspector General Reports

In November 2021, OIG reported[5] that in the 10 years since the CSM program began, CST had conducted a limited pilot of just one component—the customer facing part of the electronic

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[5] OIG, *Review of the Bureau of Consular Affairs ConsularOne Modernization Program – Significant Deployment Delays Continue* (ISP-I-22-03, November 2021).

Consular Report of Birth Abroad system—and had continued to miss deployment dates for other components under the program. OIG determined that multiple factors caused the delays, including deficiencies in leadership, management of resources, communication, project management, and information security management. OIG made 11 recommendations to address the factors contributing to the delays in the CSM program. As of December 2022, three recommendations were implemented and closed and eight recommendations remained open and were considered resolved, pending further action.

In September 2021, OIG reported[6] that that the Passport Services Directorate's dependence on CST for management of IT modernization initiatives resulted in delays in the Online Passport Renewal and Next Generation Passport systems. Delays in passport IT modernization initiatives required personnel to work in a paper-based environment, preventing passport adjudication during telework required by the COVID-19 pandemic. OIG made one recommendation to improve the Passport Services Directorate IT modernization projects. As of December 2022, the recommendation had been implemented and was considered closed.

In May 2017, OIG reported[7] that CST did not administer selected IT contracts in accordance with federal and Department guidelines. The instances of noncompliance occurred, in part, because CST did not have sufficient internal policies and procedures related to contract administration. OIG made nine recommendations to address issues identified in the report, including recommendations related to approximately $28.4 million in identified questioned costs. As of December 2022, all nine recommendations had been implemented and were considered closed.

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[6] OIG, *Inspection of the Bureau of Consular Affairs' Passport Services Directorate* (ISP-I-21-17, September 2021).
[7] OIG, *Audit of the Bureau of Consular Affairs, Office of Consular Systems and Technology, Administration of Selected Information Technology Contracts* (AUD-CGI-17-38, May 2017).

APPENDIX B: QUESTIONED COSTS IDENTIFIED DURING THE AUDIT

During the audit, the Office of Inspector General (OIG) tested 40 invoices.[1] From the 40 invoices, OIG identified 13 invoices totaling approximately $14.3 million, that were not properly supported, as shown in Table B.1. The unsupported amounts are considered to be questioned costs.[2]

Table B.1: Questioned Costs

Task Order	Invoices Reviewed With Exceptions	Value of Invoices Reviewed	Questioned Costs
19AQMM18F3629	0002	$495,828	$495,828
	TO10001CR	$15,409	$15,409
	TO10002CR	$11	$11
19AQMM19F1686	TO30001	$156,784	$156,784
	TO30003	$978,083	$978,083
	TO30004	$847,282	$847,282
	TO30007	$1,182,017	$1,182,017
	TO30008	$1,478,878	$1,478,878
	TO30009	$2,033,578	$2,033,578
	TO30010	$1,696,322	$1,696,322
	TO30012	$1,956,945	$1,956,945
	TO30013	$1,762,420	$1,762,420
	TO30014	$1,687,444	$1,687,444
Total	**13**	**$14,291,001**	**$14,291,001**

Source: OIG generated based on a review of invoices for the selected task orders and the results of audit testing for the sample of invoices selected.

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[1] Appendix A provides details of the sample selected.
[2] 5 United States Code § 405(a)(4),(7), "Inspector General Act of 1978," indicates that a questioned cost may be questioned because of (a) an alleged violation of a provision of a law, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (b) a finding that, at the time of the audit, such cost is not supported by adequate documentation (also known as an unsupported cost); or (c) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

APPENDIX C: PROJECT MANAGER COST-PLUS-AWARD-FEE REPORT TEMPLATE

The cost-plus-award-fee plan stated that the award fees available on the contract are intended to motivate excellent performance by the contractor. The fee amount to be awarded is determined by the government's review of management and performance areas under the contractor's control. Figure C.1 is the template used by the Bureau of Consular Affairs to record contractor performance for specific projects, including projects being performed as part of the consular systems modernization program. The applicable Contracting Officer's Representative would compile these reports and prepare the award fee determination report, which is then reviewed by the Performance Evaluation Board in determining the amount to be awarded to the contractor.

Figure C.1: Consular System Modernization Performance Evaluation Board Interim Report

Part I				
A. Technical Performance	Factor	Score	Factor Weight	Weighted Score
	A-1 Quality of Work		.20	
	A-2 Metric: Story Success Rate		.20	
	A-3 Ingenuity		.30	
	A-4 Perceptiveness		.30	
Total Weighted Score for Technical Performance				
B. Administration	B-1 Cost and Schedule Management		.10	
	B-2 Metric: EVM CPI		.10	
	B-3 Metric: EVM SPI		.10	
	B-4 Program Management		.30	
	B-5 Perceptiveness		.25	
	B-6 Metric: PI Predictability		.15	
Total Weighted Score for Administration				
Award Fee Point Score Compilation				

Area	Score (from above)	Technical Performance Weighting Factor	Total
Total Weighted Score for Technical Performance		.60	
Total Weighted Score for Administration		.40	
		Cumulative Award Fee Points	

Part II

1. Impact of the Contractor's performance on execution of the program:

2. Special conditions which influenced the ratings on Part 1 of this PEB Report:

3. Strengths of the Contractor's performance:

4. Weaknesses in the Contractor's performance:
5. Corrective actions recommended:
6. When and how feedback was provided to the Contractor during the award fee period.

Grade	

Source: Bureau of Consular Affairs, Office of Consular Systems and Technology.

APPENDIX D: UNDER SECRETARY FOR MANAGEMENT RESPONSE

United States Department of State

Washington, D.C. 20520

June 5, 2023

☐ Read by _____

INFORMATION MEMO

TO: OIG – Diana Shaw

FROM: M – John R. Bass

SUBJECT: Response to OIG Draft Report – Audit of the Management and
          Administration of the Consular Systems Modernization Program
          (AUD-CGI-23-XX)

Thank you for the opportunity to respond to the above-referenced draft
report. The Office of the Under Secretary for Management (M) has
reviewed the draft OIG Audit Report and provides the following comments
in response to recommendation 13 from the OIG.

Recommendation 13: OIG recommends that the Under Secretary for
Management establish and oversee a working group with officials from key
Department of State bureaus, including the Bureau of Policy and Planning,
the Bureau of Information Resource Management, and the Bureau of
Administration, to assist the Bureau of Consular Affairs in executing the
Consular Systems Modernization program and its efforts to modernize and
consolidate consular legacy IT systems into a common technology
framework.

Management Response (6/5/2023): M acknowledges the deficiencies
noted in the report and concurs with the OIG's assessment that greater
oversight of the Consular Systems Modernization process is needed.
Because requisite subject matter expertise (e.g., federal law and regulation)

and historical knowledge (e.g., key deliverables and milestones) of this complex project resides within the Bureau of Consular Affairs (CA), M plans to direct that CA lead the working group and report quarterly to the Under Secretary on the working group's activities and progress toward key milestones. M Staff and the Office of Management Strategy and Solutions (M/SS) will sit on the working group to elevate to M's attention any concerns or obstacles to timely implementation. CA concurs with M's plan of action.

Approved: M– John Bass [JB]

Drafted: M/SS – Hugo Jimenez

Cleared:
M/SS/PGP: Yuen Huang (ok)
M/SS/PGP: Craig Conway (ok)
M: MPaschke (ok)
D: NDiaz (ok)
D-MR: JHanse (ok)
P: ACaralla (ok)
R: JKhaleeli (info by request)
C: Skorupski (info by request)
S/P: SGilbertSnow (info by request)
CA/DAS: JBonner (ok)
CA/CST: DJacobson (ok)
IRM: CHootselle (ok)
BP: RPunnoose (ok)
A: BThomas (ok)

APPENDIX E: BUREAU OF CONSULAR AFFAIRS AND BUREAU OF ADMINISTRATION JOINT RESPONSE[1]

United States Department of State

Bureau of Consular Affairs
Washington, DC   20520

May 26, 2023

UNCLASSIFIED

TO: OIG – Norman P. Brown, Office of Audits

FROM: CA – Hugo Rodriguez, Acting Assistant Secretary for Consular Affairs

SUBJECT: Bureau of Consular Affairs (CA) Comments on OIG AUD-CGI-23-XX: Audit of the Management and Administration of the Consular Systems Modernization Program

CA appreciates the opportunity to comment on OIG's Draft Report on the Audit of the Management and Administration of the Consular Systems Modernization (CSM) Program.

The OIG's draft report inaccurately portrays the longstanding engagement between BP, CA, and IRM on the CSM program, leading to several overlapping and unworkable recommendations. We ask the OIG to reassess and reframe several statements, findings, and recommendations as noted below:

On footnote 4 of page 2, the draft report states "the Global Visa System and the Global Citizen Services system were merged with CSM." This is inaccurate. Requirements from each were incorporated into an initiative called ConsularOne. CA did not start using the term CSM until 2018, when the CSM contract was first awarded. CST used the term interchangeably with ConsularOne, which remained the official name of modernization efforts until 2022. In 2022, CA officially stopped using the name ConsularOne in favor of "Consular Systems Modernization" to describe a more expansive definition of ongoing modernization efforts, to include architecture, infrastructure, and platforms. CST has made significant progress on its modernization efforts over the past 18 months.

On page 10, the draft report states the pilot of eCRBA launched in August 2021. The pilot launched in July 2022. CA moved eCBRA to a newly available/approved cloud-based platform because the platform it was originally built on was less agile. The

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[1] The Bureau of Administration stated that its comments were included in the Bureau of Consular Affairs' response to Recommendations 14 through 19 and that it had no additional comments.

draft report states that CA didn't identify that developing OPR and eCBRA on the original platform was going to be a problem; that is inaccurate. CA implemented these applications using separate infrastructure for just that reason.

CA's response to each recommendation are as follows:

OIG Recommendation 1: OIG recommends that the Bureau of Consular Affairs (CA), in coordination with the Bureau of Budget and Planning, develop and implement a risk-based methodology to select programs for evaluation. CA should include the amount of funds invested and the risk to its portfolio as factors considered in the methodology.

CA Response: CA concurs with this recommendation and is working with BP to plan an evaluation as part of the Department's Learning Agenda and Annual Evaluation Plan. CA is amenable to being assigned as the Action Office with BP as the Coordinating Office.

OIG Recommendation 2: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Information Resource Management, develop and implement a process to annually ensure that all IT projects related to the Consular Systems Modernization program are registered in the Integrated Management, Analytics, and Technology Resource for Information Exchange system, in accordance with 5 Foreign Affairs Manual 611.

CA Response: CA partially agrees with the recommendation. All CA systems are registered in iMatrix, as required by 5 FAM 611. CA requests the OIG revise the recommendation to state: The Bureau of Information Resource Management should clarify guidance to instruct the Department on how Agile projects should be reported and tracked in the Integrated Management, Analytics, and Technology Resource for Information Exchange system (iMATRIX).

CA tracks programs at the investment level and will shift its methodology in accordance with updated guidance. CA recommends IRM be assigned as the Action Office. CA is amenable to being the Coordinating Office.

OIG Recommendation 3: OIG recommends that the Bureau of Budget and Planning update 18 Foreign Affairs Manual 300 to specify which requirements (including what documentation is required) apply to Department of State bureaus and offices using Agile (or Agile-related) program or project management methodologies.

CA Response: CA does not concur with this recommendation and defers to BP's assessment that it is outside the intended scope of 18 FAM 300 guidance.

OIG Recommendation 4: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, map control gates for the program management methodology used for the Consular Systems Modernization program to the Department of State's Managing State Projects guidance, as required by 5 Foreign Affairs Handbook-5 H-211.

CA Response: CA does not concur with this recommendation as written. IRM administers 5 FAH 5. CA is amenable to being assigned as the Action Office with IRM as the Coordinating Office.

OIG Recommendation 5: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, develop and implement a plan to create documentation required by Department of State program and project management guidance (including 18 Foreign Affairs Manual 300) for the overall Consular Systems Modernization program and discrete projects related to the program. This documentation would include, but not be limited to, a program monitoring plan, logic model, and a situational analysis.

CA Response: CA does not concur with the recommendation as written. CA submitted design documentation to BP for the CSM program, which fulfilled BP's design requirement under 18 FAM. During the August 2022 IT Program Resource Review (ITPR) of CSM, CA clarified the scope of the program, program schedule, and baseline. The purpose of the 2022 ITPR was to create transparency within the Department's IT portfolio, increase awareness of critical modernization initiatives, proactively address investment risks, and ensure benefit realization of IT investments. This review, along with existing portfolio controls, was intended for the CIO to maintain appropriate oversight of the IT portfolio. CST uses various systems such as Confluence, SharePoint, Jira, Engineering Lifecyle Management

(ELM) and others to host and share the documentation described in the draft report. Due to staffing shortages highlighted in the response to the OIG report on ConsularOne, published in November 2021, CA may not have provided the requisite information at the time of the audit. CA is amenable to being assigned the Action Office and recommends IRM as a Coordinating Office.

OIG Recommendation 6: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, reassess the current program management methodology used to manage and monitor the Consular Systems Modernization program to determine whether it is the most effective option.

CA Response: CA does not concur with this recommendation as written. CA is amenable to being assigned the Action Office and recommends IRM and BP serve as Coordinating Offices.

OIG Recommendation 7: OIG recommends that if, following implementation of Recommendation 6, the Bureau of Consular Affairs (CA) determines that its current program management methodology is not optimal, CA should develop and implement a plan of action, in coordination with the Bureau of Budget and Planning, to adopt a different program and project management methodology that aligns with Department of State program and project management guidance.

CA Response: CA does not concur with this recommendation as written. CA is amenable to being assigned the Action Office and recommends IRM and BP as Coordinating Offices.

OIG Recommendation 8: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, perform an internal control gap analysis related to program and project management of the Consular Systems Modernization program to identify key controls that are needed to comply with the Government Accountability Office requirements for maintaining a sufficient internal control environment.

CA Response: CA does not concur with this recommendation as written. CA is amenable to being assigned the Action Office.

OIG Recommendation 9: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Information Resource Management, develop and implement a mechanism to track required IT governance reviews to ensure that all governance reviews of IT systems have been completed.

CA Response: CA concurs with this recommendation.

OIG Recommendation 10: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Policy and Planning, develop and implement a process to periodically assess program and project management activities related to the Consular Systems Modernization program.

CA Response: CA partially concurs with this recommendation but recommends adding IRM as a Coordinating Office.

OIG Recommendation 11: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning and the Bureau of Information Resource Management, develop and implement a process to annually verify that designated project managers assigned to the Consular Systems Modernization program meet qualification requirements specified in the 5 Foreign Affairs Manual 623.2 and the "Federal IT Project Manager Guidance Matrix."

CA Response: CA does not concur with this recommendation as written. CA is amenable to being assigned the Action Office and recommends IRM as a Coordinating Office.

OIG Recommendation 12: OIG recommends that if project managers as described in Recommendation 11 are identified as not meeting qualification requirements, the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning and the Bureau of Information Resource Management, develop and implement a plan of action to provide training and guidance to the project managers so that they comply with 5 Foreign Affairs Manual 623.2 and the "Federal IT Project Manager Guidance Matrix."

CA Response: CA does not concur with this recommendation as written. CA is amenable to being assigned the Action Office and recommends IRM as a Coordinating Office.

OIG Recommendation 13: OIG recommends that the Under Secretary for Management establish and oversee a working group with officials from key Department of State bureaus, including the Bureau of Policy and Planning, the Bureau of Information Resource Management, and the Bureau of Administration, to assist the Bureau of Consular Affairs in executing the Consular Systems Modernization program and its efforts to modernize and consolidate consular legacy IT systems into a common technology framework.

CA Response: CA concurs with the recommendation that the Under Secretary for Management (M) establish and oversee a working group of key stakeholders. CA also concurs with M's plan to direct CA to lead the working group and report quarterly to the Under Secretary on activities and progress towards key milestones. M Staff and the Office of Management Strategy and Solutions (M/SS) will sit on the working group to elevate to M's attention any concerns or obstacles to timely implementation.

Recommendation 14: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Administration, determine whether the questioned costs of $511,249, which were considered unsupported, for 3 of 10 invoices selected for testing from Task Order 19AQMM18F3629 (a) were supported and allowable and (b) recover any costs determined to be unallowable, as shown in Table B.1.

CA Response: CA and A Bureau agree with the intent of the OIG's recommendation. After reviewing the draft report, A Bureau's Office of the Procurement Executive (A/OPE/AQM) is amenable to being assigned as the Action Office with CA as the Coordinating Office since the finding is on contract management actions. Prior to receiving the OIG's draft report, A/OPE had already engaged the Defense Contract Audit Agency (DCAA) to audit the subject CSM contract, and will investigate the referenced invoices further to determine the extent to which the OIG's questioned cost have already been audited and will proactively address any costs that require additional scrutiny.

Recommendation 15: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Administration, determine whether the questioned costs of $13,779,756, which were considered to be unsupported, for the 10 invoices selected for testing from Task Order 19AQMM19F1686 (a) were supported and allowable and (b) recover any costs determined to be unallowable, as shown in Table B.1.

CA Response: CA and A Bureau agree with the intent of the OIG's recommendation. After reviewing the draft report, A Bureau (A/OPE) is amenable to being assigned to the Action Office with CA as the Coordinating Office since the finding is on contract management actions. Prior to receiving the OIG's draft report, A/OPE had already engaged the Defense Contract Audit Agency (DCAA) to audit the subject CSM contract and will investigate the referenced invoices further to determine the extent to which the OIG's questioned cost have already been audited and will proactively address any costs that require additional scrutiny.

Recommendation 16: OIG recommends that the Bureau of Consular Affairs (CA), in coordination with the Bureau of Administration, develop and implement bureau-specific procedures requiring CA's assigned Contracting Officer's Representatives to (a) maintain documentation of their invoice review that demonstrates that costs and supporting documentation were verified and (b) confirm that labor hours billed had supporting documentation that was sufficient to support the approval for payments.

CA Response: CA and A Bureau agree with the intent of the OIG's recommendation. After reviewing the draft report, A Bureau (A/OPE/AQM) is amenable to being assigned to the Action Office with CA as the Coordinating Office since the finding is on contract management actions. Per the designation letter, the Contracting Officer's Representative (COR) is responsible for ensuring that files contain all documentation necessary to support labor hours billed and sufficient support for the approval of all payments. A /OPE does not want to dictate invoice review processes to the bureaus below that of what is defined in the FAR and DOSAR regarding invoice submission and payments. Other Bureaus have invoice reconciliation processes in place, and an overarching detailed process could

contradict them.

Recommendation 17: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Administration, develop and implement procedures to ensure that the Contracting Officer's Representatives (COR) administering contracts related to Consular Systems Modernization maintain files in the mandated eFiling module of the Integrated Logistics Management System in accordance with 14 Foreign Affairs Handbook-2 H-142(b)(16)(b), and that the files include all required reports from contractors.

CA Response: CA and A Bureau concurs with the intent of the OIG's recommendation. A Bureau (A/OPE/AQM) is amenable to being assigned to the Action Office with CA as the Coordinating Office since the finding is on contract management actions. There is already a policy in place that mandates eFiling (PIB 2020-04), which includes all reports, invoices, and correspondence. Per the designation letter, the COR has responsibility for establishing and maintaining adequate COR files within the **eFile** system.

Recommendation 18: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Administration, develop and implement guidance related to the proper use and development of cost-plus-award-fee contractor performance reports.

CA Response: CA and A Bureau agree with the intent of the OIG's recommendation. After reviewing the draft report, A Bureau (A/OPE/AQM) is amenable to being assigned to the Action Office with CA as the Coordinating Office since the finding is on contract management actions. The COR is responsible for maintaining performance records in determining award fee performance in accordance with the terms of the contract. CA and the Office of Acquisitions Management's (A/OPE/AQM) Contracting Officers will continually work to ensure there are appropriate quality assurance metrics and linkage to the acquisition objectives when using this method of contracting.

Recommendation 19: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Administration, develop and implement procedures

to ensure that Contracting Officer's Representatives that oversee Consular Systems Modernization program task orders complete and submit reports in the Contractor Performance Assessment Reporting System within the required 120 days.

CA Response: CA and A Bureau agree with the intent of the OIG's recommendation. After reviewing the draft report, A/OPE/AQM is amenable to being assigned to the Action Office with CA as the Coordinating Office since the finding is on contract management. Per the delegation letter, the COR is given the role of Assessing Official Representative (AOR) and must initiate a Contractor Performance Assessment (CPARS) record that aligns within regulatory timeframes. It should be noted that these task orders are issued against a Departmental indefinite delivery/indefinite quantity contract. As such, there may have been a decision made to evaluate contractor performance against the IDIQ contract vice individual task order, which is compliant with regulations.
 actions.

OIG Recommendation 20: OIG recommends that the Bureau of Consular Affairs update the Consular Systems and Technology Procurement Guide to add requirements for acquisition planning, including the contents of written acquisition plans, as specified in Federal Acquisition Regulation 7.103 and 7.105.

CA Response: CA concurs with Recommendation 20.

Approved: CA – Hugo Rodriguez, Acting Assistant Secretary [✗]

Drafted: CA/EX Mary Bati, 202-805-7023

Bureau	Name	Clearance Status
CA/R:	Jennifer Bonner	(OK)
CA/EX:	Josh Glazeroff	(OK)
CA/CST:	Donald Jacobson, Acting	(OK)
M:	Matthew Paschke	(OK)
M/SS:	Hugo Jimenez	(OK)
BP:	Ramya Punnoose	(OK)
IRM:	Joshua Schuttloffel	(OK)
A	Russell Croy	(INFO BY REQUEST)
A/OPE:	Matt Colantonio	(OK)

APPENDIX F: BUREAU OF BUDGET AND PLANNING RESPONSE

United States Department of State

Washington, D.C. 20520

TO: Office of the Inspector General (OIG)
              Diana Shaw, Acting Inspector General

FROM: BP – Director Douglas Pitkin

DATE: May 25, 2023

SUBJECT: Bureau of Budget and Planning (BP) Comments on OIG AUD-CGI-23- XX: Audit of the Management and Administration of the Consular Systems Modernization Program

BP appreciates the opportunity to comment on OIG's Draft Report for the Audit of the Management and Administration of the Consular Systems Modernization (CSM) Program, which is among the Department's most critical investments for securely improving the customer experience for passport and visa applicants.

The following overall comments are to correct the record and further our shared goal of enhancing the accuracy of the findings and utility of the recommendations. First and foremost, I am concerned that OIG's engagement with BP on this audit was informal and ad hoc, and therefore did not provide us with an opportunity to address several substantive matters covered in the draft. BP has reconstructed the following timeline of engagements:

- Prior to OIG beginning this audit of CSM, OIG met with BP in February 2022 to request information on 18 FAM 300 and BP's role in program design and performance monitoring. BP shared several information sources that are generally available to anyone in the Department, such as guidance materials. At that meeting, the OIG team advised its intent to focus on a not-yet-specified program in the Bureau of Consular Affairs (CA). In the intervening e-mail exchanges, BP shared a list of programs identified by CA (in compliance with 18 FAM 300) and in mid-March our staff discussed the design steps that BP was tracking as completed by CA.
- On April 1, 2022, OIG notified CA and the Bureau of Administration (A Bureau) of their intent to audit the CSM program. As BP was not included in the official audit notification letter, we reasonably concluded that BP roles and responsibilities under 18 FAM was not a subject of the audit.

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- Following the letter, OIG reached out to BP via e-mail informally in July 2022 for a general question on how bureaus such as CA implement the Department's guidance on program design, monitoring, and evaluation policy. Without a formal notification letter, BP considered these questions as informally contextual and provided the OIG team guidance references that are available to bureaus use for documenting program designs and outcomes. During this follow-up Q&A, OIG did not submit specific questions related to BP's oversight of 18 FAM 300, oversight of the CSM program, nor how we coordinate program oversight functions with A Bureau and the Bureau of Information Management (IRM).

- Thus, we were not informed that these were to be included in the audit's scope until your letter of May 8, 2023, more than year after the audit began. As a result, the draft findings inaccurately characterize BP responsibilities, omit BP's longstanding engagement with CA on the CSM program, and lead to several overlapping and unworkable recommendations for BP and other bureaus.

- Notwithstanding this lack of due notice, we have reviewed the findings relative to our longstanding interpretation and implementation of Program Management Improvement Act (PMIAA), OMB Circular A-11, Foreign Affairs Handbook (FAH), and the Foreign Affairs Manual (FAM); as well as our collaboration with CA, A Bureau, and IRM on shared roles and responsibilities. Based on this review, we would ask OIG to reassess and reframe several statements, findings, and recommendations, as noted below.

- On page 5, the draft report states "Program Management Improvement Officers are responsible for implementing program management policies established by their respective agencies and developing strategies to enhance the role of program management and managers within their departments."[14]

    [14] OMB M-18-19, "Improving the Management of Federal Programs and Projects through Implementing the Program Management Improvement Accountability Act (PMIAA)," page 1, June 25, 2018.

    On page 17, the draft report states "Moreover, the Director of the Bureau of Budget and Planning, serving in the role of the Program Management Improvement Officer, has the responsibility to "*[o]versee and ensure implementation* of program and project management policies, including tools and techniques, established by the agency." [73]

[73] OMB, Circular A-11, "Preparation, Submission, and Execution of the Budget," August 6, 2021, § 270.5, "What is the role of the Program Management Improvement Officer (PMIO), and how does the agency designate and notify [the Office of Management and Budget] of the designation."

BP Response: In reference to the draft report's citation of the Program Management Improvement Officer (PMIO) role on pages 5 and 17, BP provides overarching, policies guidance and best practices for bureaus to better manage their programs. Notably, this does not stipulate that the PMIO is specifically responsible for the effective management of every program in Department. With over 250 distinct programs in the Department's program inventory, it is impracticable for PMIO to directly monitor each program on ongoing basis.

- On page 8, the draft report states, "The deficiencies identified occurred, in part, because of insufficient management oversight from key Department bureaus, including CA and the Bureau of Budget and Planning, along with the appointment of unqualified CA project managers to serve as technical monitors."

BP Response: BP requests the above passage be rewritten as, "The deficiencies identified occurred, in part, because of insufficient management oversight from key Department bureaus along with the appointment of unqualified CA project managers to serve as technical monitors."

As noted above, OIG's audit review did not request to include any information from BP on specific oversight of the CSM program. BP has conducted periodic reviews of the CSM program, including program reviews and budget reviews, but this was not requested as part of the OIG's review. Attached to this memo is a sample list of meetings in which BP met with CA on the program. Yet even such reviews do not approximate the level of direct responsibility that the draft report asserts BP should have exercised. The draft audit provides no examples of CA requesting that BP specifically validate or approve CSM program management practices. Given the number of active Department programs, BP necessarily relies on outreach and engagement from bureaus to prioritize our work. We request to remove BP as a contributor to the deficiencies identified by OIG in Finding A of the draft report.

Attachments are available upon request, consistent with applicable law.

- On page 12, the draft report states "Specifically, the first indicator was 'Percent of investment's total FY funds obligated vs total baseline FY budget.' This indicator was intended to advise CA about the amount of obligated and unobligated funds. However, the indicator focused on funds management and not on monitoring program performance."

  BP Response: BP concurs that rate of obligation alone is not a sufficient indicator, and these concerns were conveyed to CA in the CST/CSM reviews where this metric was cited. Attached to this memo is a sample list of meetings in which BP met with CA on the program. However, obligation rates do have utility in assessing whether a program is fully utilizing its available resources, such as running ahead or behind anticipated procurement activity. In some prior fiscal years, BP and CA had closely monitored Consular Systems Technology (CST) obligation rates to ensure Consular Border Security and Programs (CBSP) resources were being used efficiently and effectively. Again, no such information was requested from BP during OIG's 12+ month review.

- On page 17 in the section titled "Causes of the Deficiencies Identified", the draft report states, "The deficiencies identified during the audit occurred, in part, because of insufficient management oversight from key Department bureaus, including CA and the Bureau of Budget and Planning, along with the appointment of unqualified project managers."

  BP Response: Absent a specific finding on oversight actions that BP should have taken under its responsibilities, this finding is not supported by the facts or a plain reading of the relevant guidance documents. Neither OMB Circular A-11 nor the 18 FAM stipulate that the PMIO is directly responsible for management oversight of every program in the Department, nor for appointing or approving the project managers of other bureaus. We request that OIG remove BP from reasons for the deficiencies.

BP responses to each recommendation are as follows:

- **Recommendation 1 (page 13):** OIG recommends that the Bureau of Consular Affairs (CA), in coordination with the Bureau of Budget and Planning, develop and implement a risk-based methodology to select programs for evaluation. CA should include the amount of funds invested and the risk to its portfolio as factors considered in the methodology.

BP Response: BP <u>concurs</u> with this recommendation. The Bureau has already been working with CA in the selection and planning for evaluation for the Department's Learning Agenda and Annual Evaluation Plan, and risk-based methodology would be appropriate given the number and scope of programs that CA manages.

- **Recommendation 3 (page 17):** OIG recommends that the Bureau of Budget and Planning update 18 FAM 300 to specify which requirements (including what documentation is required) apply to Department of State bureaus and offices using Agile (or Agile-related) program or project management methodologies.

  BP Response: BP does not concur with this recommendation, as it outside the intended scope of 18 FAM 300 guidance. BP provides tools and processes for program design, allowing for equivalent approaches with the expectation that bureaus will continue to refine and improve as suits their management needs, but BP does not prescribe exactly how bureaus and program should approach program design. Given the wide variety of Department work, codifying specific practices such as 'Agile' in the FAM risks inhibiting the flexibility of bureaus to adopt program/project management practices suited to their mission. The draft reports cited programmatic missteps for CSM are insufficient reason to modify the FAM as recommended. 18 FAM 300 sets out policy for applying program management principles and best practices, flexible enough to encompass the Department's wide array programs, which encompass not just software development but also workforce development and training, public diplomacy, foreign assistance, construction and facility management, embassy operations, as well as information technologies. Attempting to specify program management principles for Agile software development in 18 FAM would conflict with IRM and Chief Information Officer (CIO) responsibilities in 5 FAM, and establish a precedent/expectation that every program management framework used across the Department should be codified in the FAM. Such an approach would be unworkable and ultimately detrimental to innovative program management.

- **Recommendation 4 (page 17):** OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, map control gates for the program management methodology used for the Consular Systems Modernization program to the Department of State's

Managing State Projects guidance, as required by 5 Foreign Affairs Handbook-5 H-211.

BP Response: BP does not concur with this recommendation as written and urges that IRM be designated as the coordinating bureau to avoid conflating BP and IRM responsibilities. The administration of 5 FAH 5 is under IRM's purview. The Federal Information Technology Acquisition Reform Act (FITARA) requires agency CIOs to review and approve IT asset and service acquisitions, and engage in programming, budget, planning, and execution functions for IT, including governance, oversight, and reporting. Therefore, the Bureau of Consular Affairs should coordinate directly with IRM and BP should be removed from implementing this recommendation.

- **Recommendation 5 (page 17):** OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, develop and implement a plan to create documentation required by Department of State program and project management guidance (including 18 FAM 300) for the overall Consular Systems Modernization program and discrete projects related to the program. This documentation would include, but not be limited to, a program monitoring plan, logic model, and a situational analysis.

  BP Response: BP does not concur with this recommendation as written to include BP as a coordinating partner. CA submitted design documentation to BP for the CSM program, which we deemed as fulfilling its design requirement. The draft report does not specify how these materials were not in compliance with 18 FAM. Subsequent to that design submission, during the August 2022 IT Program Resource Review (ITPR) of CSM, CA clarified the program's scope of the program, program schedule, and baseline. The purpose of the 2022 ITPR was to create transparency within the Department's IT portfolio, increase awareness of critical modernization initiatives, proactively address investment risks, and ensure benefit realization of IT investments. This review, along with existing portfolio controls, was intended for the CIO to maintain appropriate oversight of the IT portfolio. CA should coordinate directly with IRM and BP should be removed from implementing this recommendation.

- **Recommendation 6 (page 17):** OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, reassess the current program management methodology used to manage and

monitor the Consular Systems Modernization program to determine whether it is the most effective option.

BP Response: BP concurs with this recommendation, however, believes IRM should <u>also</u> be a coordinating partner. As noted, FITARA requires agency CIOs to review and approve IT asset and service acquisitions, and engage in programming, budget, planning, and execution functions for IT, including governance, oversight, and reporting. We request for OIG to add IRM to this recommendation as a coordinator.

- **Recommendation 7 (page 17):** OIG recommends that if, following implementation of Recommendation 6, the Bureau of Consular Affairs (CA) determines that its current program management methodology is not optimal, CA should develop and implement a plan of action, in coordination with the Bureau of Budget and Planning, to adopt a different program and project management methodology that aligns with Department of State program and project management guidance.

BP Response: BP does not concur with this recommendation as written with BP as the sole coordinating partner, and requests that IRM be added to the recommendation. The CIO, per FITARA, has the lead technical role in IT program and project oversight. Therefore, the CA should coordinate directly with IRM. We concur that BP should track this as a corrective action for CA's program management.

- **Recommendation 8 (page 18):** OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, perform an internal control gap analysis related to program and project management of the Consular Systems Modernization program to identify key controls that are needed to comply with the Government Accountability Office requirements for maintaining a sufficient internal control environment.

BP Response: An internal control gap analysis is a program or project management function that falls squarely with the executing bureau. IRM would also play a role, given FITARA's agency CIO oversight requirements for IT programs and projects. Therefore, CA should coordinate directly with IRM and BP should be removed from implementing this recommendation.

- **Recommendation 10 (page 19):** OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning, develop and implement a process to periodically assess program and project management activities related to the Consular Systems Modernization program.

  BP Response: BP concurs with this recommendation and looks forward to continuing to collaborate with CA to develop and implement a process to periodically assess program and project management activities related to the CSM program.

- **Recommendation 11 (page 20):** OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning and the Bureau of Information Resource Management, develop and implement a process to annually verify that designated project managers assigned to the Consular Systems Modernization program meet qualification requirements specified in the 5 Foreign Affairs Manual 623.2 and the "Federal IT Project Manager Guidance Matrix."

  BP Response: BP respectfully does not concur with this recommendation as written to include BP as a coordinating partner. IRM has the responsibility to implement the 5 Foreign Affairs Manual 623.2 and the "Federal IT Project Manager Guidance Matrix" and to implement appropriate oversight for these requirements. As noted, FITARA requires agency CIOs to review and approve IT asset and service acquisitions, and engage in programming, budget, planning, and execution functions for IT, including governance, oversight, and reporting. BP does not have the responsibility to implement a process to annually verify that designated project managers meet qualification requirements. Therefore, CA should coordinate directly with IRM and BP should be removed from implementing this recommendation.

- **Recommendation 12 (page 21):** OIG recommends that if project managers as described in Recommendation 11 are identified as not meeting qualification requirements, the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning and the Bureau of Information Resource Management, develop and implement a plan of action to provide training and guidance to the project managers so that they comply with 5 Foreign Affairs Manual 623.2 and the "Federal IT Project Manager Guidance Matrix."

BP Response: BP respectfully does not concur with this recommendation written to include BP as a coordinating partner. IRM has the responsibility to implement the 5 Foreign Affairs Manual 623.2 and the "Federal IT Project Manager Guidance Matrix" and to ensure the Department adheres to these requirements. As noted, FITARA requires agency Chief Information Officers (CIOs) to review and approve IT asset and service acquisitions, and engage in programming, budget, planning, and execution functions for IT, including governance, oversight, and reporting. BP does not have the responsibility or expertise to apply this recommendation to IT program or project managers, nor have we taken on these responsibilities in our oversight of programs. Therefore, CA should coordinate directly with IRM and BP should be removed from implementing this recommendation.

- **Recommendation 13 (page 22):** OIG recommends that the Under Secretary for Management establish and oversee a working group with officials from key Department of State bureaus, including the Bureau of Budget and Planning, the Bureau of Information Resource Management, and the Bureau of Administration, to assist the Bureau of Consular Affairs in executing the Consular Systems Modernization program and its efforts to modernize and consolidate consular legacy IT systems into a common technology framework.

  BP Response: BP concurs with this recommendation and looks forward to being part of the working group to assist CA in executing the CSM program.

Thank you again for the opportunity to provide technical comments. BP will be happy to discuss or expound upon any of the points listed above if further explanation is needed. For future audits and inspections in which the internal drafts point to BP-specific findings and recommendations specific , I ask that OIG actively engage with BP to ensure we are given more formal notifications and questions. This will enable us to better inform and address both the draft and final reports.

APPENDIX G: BUREAU OF INFORMATION RESOURCE MANAGEMENT RESPONSE

United States Department of State

Washington, D.C. 20520

May 25, 2023

o Read by _____

NOTE FOR ASSISTANT INSPECTOR GENERAL FOR AUDITS NORMAN P. BROWN

FROM: IRM – Kelly E, Fletcher

SUBJECT: (U) Draft Report - Audit of the Management and Administration of the Consular Systems Modernization Program

The Bureau of Information Resource Management provides the following comments to the Office of Inspector General's Draft Report - Audit of the Management and Administration of the Consular Systems Modernization Program.

Recommendation 2: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Information Resource Management, develop and implement a process to annually ensure that all IT projects related to the Consular Systems Modernization program are registered in the Integrated Management, Analytics, and Technology Resource for Information Exchange system, in accordance with 5 Foreign Affairs Manual 611.

Management Response (Draft Report): IRM concurs with this recommendation and will coordinate with Consular Affairs.

Recommendation 9: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Information Resource Management, develop and implement a mechanism to track required IT governance

reviews to ensure that all governance reviews of IT systems have been completed.

Management Response (Draft Report): IRM concurs with this recommendation and will work with Consular Affairs.

Recommendation 11: OIG recommends that the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning and the Bureau of Information Resource Management, develop and implement a process to annually verify that designated project managers assigned to the Consular Systems Modernization program meet qualification requirements specified in the 5 Foreign Affairs Manual 623.2 and the "Federal IT Project Manager Guidance Matrix."

Management Response (Draft Report): IRM does not concur with this recommendation. IRM suggests that this recommendation is directed to the Bureau of Consular Affairs and that IRM is removed. CA can access the minimally required training for IT program and project managers through courses at the FSI. Additionally, the ITEC PMO in IRM routinely sponsor's training to help IT Program and Project Managers achieve and maintain their required certifications. These trainings include, but are not limited to, Annual IT Business Case Training Part 1 and Part 2 and regular courses for FAC-P/PM (See Tabs 1-4).

Recommendation 12: OIG recommends that if project managers as described in Recommendation 11 are identified as not meeting qualification requirements, the Bureau of Consular Affairs, in coordination with the Bureau of Budget and Planning and the Bureau of Information Resource Management, develop and implement a plan of action to provide training and guidance to the project managers so that they comply with 5 Foreign Affairs Manual 623.2 and the "Federal IT Project Manager Guidance Matrix."

Management Response (Draft Report): IRM does not concur with this recommendation. IRM suggests that this recommendation is directed to the Bureau of Consular Affairs and that IRM is removed. CA can access the

minimally required training for IT program and project managers through courses at the FSI. Additionally, the ITEC PMO in IRM routinely sponsor's training to help IT Program and Project Managers achieve and maintain their required certifications. These trainings include, but are not limited to, Annual IT Business Case Training Part 1 and Part 2 and regular courses for FAC-P/PM (See Tabs 1-4).

Attachments
     Tab 1 - FY2024 IT Business Case Training Announcement Email
     Tab 2 - FY2024 IT Business Case Training FSI Course Description Day1
     Tab 3 - FY2024 IT Business Case Training FSI Course Description Day2
     Tab 4 - Management Concepts Course Catalog

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         May 15, 2023

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APPENDIX H: OIG REPLIES TO COMMENTS FROM THE BUREAU OF CONSULAR AFFAIRS

In addition to responding to the recommendations offered in a draft of this audit report, the Bureau of Consular Affairs (CA) provided general comments regarding the audit findings (see Appendix E). CA's most significant comments and the Office of Inspector General's (OIG) replies are summarized and presented as follows:

CA Comment: CA stated that "OIG's draft report inaccurately portrays the longstanding engagement between [the Bureau of Budget and Planning], CA, and [the Bureau of Information Resource Management] on the [Consular System Modernization (CSM)] program, leading to several overlapping and unworkable recommendations."

OIG Reply: During the audit, OIG gained an understanding of CA's engagement with other Department of State bureaus related to the CSM program. In its response, CA did not provide details of any inaccurate statements in the report related to its engagement with other bureaus. OIG's conclusions in the report pertained to specific program management and IT governance issues, of which both BP and IRM have a role. OIG did not modify the report based on this comment.

CA Comment: CA stated that footnote 4 in the draft report is inaccurate. The footnote states that two systems, the Global Visa System and the Global Citizen Services system, were merged with CSM. CA stated that it incorporated requirements from each system into an initiative called ConsularOne. CA did not start using the term CSM until 2018. CA also stated that although it used the term CSM interchangeably with ConsularOne, ConsularOne was technically the official name of CA's modernization efforts until 2022. CA stated that in 2022 it officially stopped using the name ConsularOne in favor of CSM to describe a more expansive definition of ongoing modernization efforts.

OIG Reply: OIG agrees that in 2022 CA clarified the name of its system modernization efforts in response to a prior OIG report.[1] Footnote 3 in the Background section of the report states that "[a]ccording to the CSM Program Manager, the term "ConsularOne" has been used interchangeably with CSM. OIG chose to use 'CSM' throughout the report when referring to the program to modernize CA's systems." Therefore, the footnote is accurate as stated.

CA Comment: CA stated that on page 10 of the draft report, OIG indicated that the Electronic Consular Report of Birth Abroad (eCRBA) application pilot launched in August 2021. CA indicated that the pilot launched in July 2022.

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[1] OIG, *Review of the Bureau of Consular Affairs' ConsularOne Modernization Program - Significant Deployment Delays Continue*, page 8-9 (ISP-I-22-03, November 2021), identified a "lack of clarity between ConsularOne and CSM." To address the deficiency, OIG recommended that CA "clearly define the ConsularOne modernization program and CSM, including its components, projects, supporting contracts, and the associated total cost of those contracts for both efforts". In response to the OIG recommendation, CA announced the retirement of the "ConsularOne" label in favor of adopting the expansive term "Consular Systems Modernization."

OIG Reply: OIG modified the report to clarify that the planned release date was delayed by over 1 year, to August 2021, because of the change in platforms, not the actual release date (which, as CA noted, was delayed even more than originally estimated).

CA Comment: CA stated that the draft report indicates that CA did not "identify that developing [Online Passport Renewal (OPR)] and eCBRA on the original platform was going to be a problem." CA stated that this information in the report is inaccurate. Specifically, CA stated that it moved eCBRA to a cloud-based platform when it became available because the platform it was originally built on was less agile. CA added that it developed the OPR and eCRBA applications using separate infrastructure for that reason.

OIG Reply: The finding in the Audit Results section of the report is that CA did not perform a required situational analysis related to OPR and eCBRA to identify conflicts and determine the current state or conditions surrounding the program. Had CA performed the required situational analysis, it could have identified problems with the migration earlier and could have mitigated the issues and prevented the delay of the planned release.

OIG conducted interviews with current and prior Consular Systems and Technology (CST) employees who identified communication and collaboration issues that could have been addressed if a situational analysis had been performed that could have assisted teams to coordinate priorities and establish common goals. Furthermore, in an award fee determination report to the contractor, CA stated that "because development teams seem to think in terms of [program increments] instead of an overall design and architecture, this has led to not thinking through and identifying the needs with other CST teams in advance of the need." The CA award fee determination report also states that this situation resulted "in difficulties when the other CST teams may not have sufficient resources or have not been able to plan and anticipate for that need because it was not communicated to them sufficiently in advance." OIG did not modify the report based on this comment.

APPENDIX I: OIG REPLIES TO COMMENTS FROM THE BUREAU OF BUDGET AND PLANNING

In addition to responding to the recommendations offered in a draft of this audit report, the Bureau of Budget and Planning (BP) provided general comments regarding the audit findings (see Appendix F). BP's most significant comments and the Office of Inspector General's (OIG) replies are summarized and presented as follows:

BP Comment: BP stated that it was concerned that "OIG's engagement with BP on this audit was informal and ad hoc, and therefore did not provide [BP] with an opportunity to address several substantive matters covered in the draft [report]." For example, BP noted that it did not receive a formal notification memorandum for the project and was not notified that it was a "subject of the audit."

OIG Reply: When OIG began the audit, it did not fully recognize the important role that the Director of BP had regarding program management in the Department of State (Department). Specifically, the Director of BP has been delegated the mandated role of the Program Management Improvement Officer (PMIO). As the OIG team gained a better understanding of roles and responsibilities related to the audit topic, it became clear to OIG that BP had the responsibility to provide guidance and oversight of the high-risk, high-profile, Consular System Modernization (CSM) program. OIG notified BP by email in February 2023 that it planned to discuss BP's role related to the program management process in its planned report and anticipated including recommendations in the report that either were directed to BP or included BP as an organization that the Bureau of Consular Affairs (CA) should collaborate with. OIG provided a second email on this topic in March 2023 because BP had not responded to OIG's email from February 2023. In addition, on May 3, 2023, OIG held an exit conference with BP officials to discuss the anticipated findings and report. OIG agreed to hold a second exit conference on May 19, 2023, at BP's request, to discuss the findings again. Until the second exit conference, BP did not express concerns about the lack of a formal notification memorandum related to the audit. If BP had requested a formal notification memorandum at any time during the audit, OIG would have provided one. Furthermore, in addition to having meetings with BP to discuss matters related to the audit report, OIG provided the draft audit report to BP for comment. Therefore, BP had several opportunities to provide comments related to substantive matters covered in the draft audit report.

BP Comment: According to BP, in its role as the Department's PMIO, it "provides overarching, policies guidance and best practices for bureaus to better manage their programs." However, BP stated that the criteria cited in the draft report related to PMIO's responsibilities (i.e., Office of Management and Budget [OMB] Circular A-11) did not make BP "responsible for the effective management of every program" in the Department. BP added that with more than 250 distinct programs in the Department, "it is impracticable for [the] PMIO to directly monitor each program."

CA in an ad hoc manner on program and project management issues upon CA's request, considering the significant deficiencies identified in the report related to program and project management, and also considering the federal requirements for PMIO involvement in program and project management, it is clear that BP's engagement on the CSM project was insufficient. CSM is a high dollar, high-risk, program that has significant interest and impacts any U.S. citizen seeking a passport. In its role as PMIO, BP should have recognized the importance of the CSM program and formalized its involvement to better ensure that the effort was successful. For example, a simple review by BP of program management documents required by the Department's Foreign Affairs Manual[2] early in the process would have identified that the documents were incomplete and included inadequate performance indicators to monitor such a large and expensive program. BP could have assisted CA to course correct early in the process. OIG did not modify the report based on this comment.

BP Comment: BP did not agree with a sentence on page 17 of the draft report that stated "[t]he deficiencies identified during the audit occurred, in part, because of insufficient management oversight from key Department bureaus, including CA and BP, along with the appointment of unqualified project managers." BP stated that because the report does not include a specific finding on oversight actions that BP should have taken, the "finding is not supported by the facts or a plain reading of the relevant guidance documents." BP also stated that neither OMB Circular A-11 nor the Foreign Affairs Manual "stipulate that the PMIO is directly responsible for management oversight of every program in the Department, nor for appointing or approving the project managers of other bureaus." Therefore, BP requested that OIG remove BP as part of the reason for the deficiencies.

OIG Reply: As noted in a previous response, OIG's report does not state that the PMIO is responsible for day-to-day oversight of Department programs; nor did OIG recommend that BP directly oversee every project being performed by the Department. As discussed in previous responses, in keeping with federal guidance, the Director of BP, as the Department's PMIO, has a clear responsibility to ensure that bureaus and offices are implementing program and project management policies appropriately and to collaborate with bureaus and offices to improve the execution of program management policies. For example, OMB Circular A-11[3] states that the PMIO should collaborate with and support the Chief Information Officer to ensure IT programs and projects have trained and qualified program and project managers with appropriate qualifications. OIG did not recommend in its report that BP appoint or approve project managers appointed by other bureaus. Instead, OIG recommended that CA, in collaboration with BP and the Bureau of Information Resource Management, develop and implement a process to verify that project managers meet qualification requirements. This recommendation is directly in keeping with the guidance included in OMB Circular A-11. OIG did not modify the report based on this comment.

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[2] "18 FAM 300"
[3] OMB, Circular A-11, "Preparation, Submission, and Execution of the Budget," August 2021, § 270.5, "What is the role of the Program Management Improvement Officer (PMIO), and how does the agency designate and notify OMB of the designation?"

ABBREVIATIONS

AQM	Office of Acquisitions Management
BP	Bureau of Budget and Planning
CA	Bureau of Consular Affairs
CO	Contracting Officer
COR	Contracting Officer's Representative
CPAF	Cost-Plus-Award-Fee
CPARS	Contractor Performance Assessment Report System
CPIC	Capital Planning and Investment Control
CRBA	Consular Report of Birth Abroad
CSM	Consular Systems Modernization
CST	Office of Consular Systems and Technology
eCRBA	Electronic Consular Report of Birth Abroad
EIR	Executive Investment Reviews
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
FAR	Federal Acquisition Regulation
GAO	Government Accountability Office
IDIQ	Indefinite Delivery, Indefinite Quantity
iMatrix	Integrated Management, Analytics, and Technology Resource for Information Exchange
IRM	Bureau of Information Resource Management
IV&V	Independent Verification and Validation
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPR	Online Passport Renewal
PMIO	Program Management Improvement Officer
SAFe®	Scaled Agile Framework®

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