



# OIG HIGHLIGHTS

ISP-C-16-20

July 2016

OFFICE OF INSPECTIONS

Bureau of International Narcotics and Law Enforcement Affairs

Compliance Follow-up Review of the Bureau of International Narcotics and Law Enforcement Affairs

## What OIG found

- OIG determined that the Bureau of International Narcotics and Law Enforcement Affairs had implemented 27 of the 28 recommendations issued in the September 2014 inspection report as of the beginning of this Compliance Follow-up Review.
- OIG found that the Bureau of International Narcotics and Law Enforcement Affairs had made progress tracking Department-mandated training requirements but had not addressed discretionary training related to job performance and professional development.
- The Department's budgeting and accounting systems are not designed to manage foreign assistance. As a direct consequence, the Bureau of International Narcotics and Law Enforcement Affairs staff is required to engage in time-consuming, inefficient, and parallel processes to track the bureau's finances. OIG issued a Management Assistance Report in 2015 that placed responsibility for addressing this systemic problem with the Department rather than individual bureaus and included a recommendation that the Department develop a comprehensive plan to address foreign assistance tracking and reporting requirements.

## What OIG Inspected

OIG conducted a Compliance Follow-up Review of the Bureau of International Narcotics and Law Enforcement Affairs from January 4 to February 19, 2016.

## What OIG Recommends

OIG revised and reissued one recommendation that addressed the need to establish and track training requirements for program officers and financial management analysts.

\_\_\_\_\_ Office of Inspector General \_\_\_\_\_  
U.S. Department of State • Broadcasting Board of Governors



# OIG

## Office of Inspector General

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

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ISP-C-16-20

Office of Inspections

July 2016

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# Compliance Follow-up Review of the Bureau of International Narcotics and Law Enforcement Affairs

## DOMESTIC OPERATIONS

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## CONTEXT

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The Bureau of International Narcotics and Law Enforcement Affairs (INL) is one of a few Department bureaus established and structured to manage foreign assistance programs. It describes its mission to minimize the impact of transnational crime and illegal drugs on the United States, its citizens, and partner nations by providing effective foreign assistance and fostering greater bilateral and multilateral law enforcement and rule of law cooperation. During the original inspection, INL managed a \$6-billion foreign assistance project portfolio with programs in 91 countries. Its operational budget at the time was approximately \$1 billion.<sup>1</sup>

OIG published the inspection report of INL in September 2014.<sup>2</sup> A summary of the key findings in that report included:

- The Department's budgeting and accounting systems were not designed to manage foreign assistance. As a direct consequence, INL staff had to engage in time-consuming, inefficient, and parallel processes to track the bureau's finances. During this CFR, OIG issued a Management Assistance Report that addressed the fact that the Department had not developed comprehensive guidance on how to build sustainability into its foreign assistance programs with annual funds of approximately \$17.6 billion.
- INL had made progress in managing programs but needed to execute standard budgeting, program planning, monitoring, and performance management procedures.
- The INL structure was not consistent with the Department's organizational principles nor optimally suited to support its operations. Program management was segregated by region and function and was removed from resource management. These organizational problems contributed to the Bureau's challenges in program management.
- The INL Office of Resource Management (INL/RM) combined too many functions and too much responsibility under one office director, impeding bureau accountability for foreign assistance resources.

## EVALUATION OF COMPLIANCE

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### Compliance Overview

This Compliance Follow-up Review (CFR) report reissues 1 of the 28 recommendations issued in the original inspection report (Recommendation 18) and closes the remaining 27. Seventeen recommendations were closed before the CFR (Recommendations 1, 2, 4, 5, 7, 9, 10, 11, 12, 14,

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<sup>1</sup> OIG, *Report of the Inspection of the Bureau of International Narcotics and Law Enforcement Affairs* (ISP-I-14-24 September 2014).

<sup>2</sup> ISP-I-14-24, September 2014.

15, 16, 17, 20, 24, 26, and 27). A discussion of the bureau's reported actions and OIG's determination to re-issue and close recommendations is provided in this report.

## FOREIGN ASSISTANCE

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### Financial Management

#### *Automated Financial Management Systems*

In the 2014 inspection, OIG found that the Department's automated budget and accounting systems were not designed to manage foreign assistance programs. OIG recommended that the Office of Management Policy, Rightsizing, and Innovation—in coordination with the Bureau of Foreign Assistance Resources, the Bureau of the Comptroller and Global Financial Services, and the Bureau of Information Resource Management—convene a working group with a mandate to adapt existing Department systems or to adopt or develop an alternative system that would provide timely, accurate information needed to manage foreign assistance (Recommendation 14).

During the CFR, OIG determined that this recommendation was addressed in an OIG Management Assistance Report,<sup>3</sup> which found that the Department's financial systems were insufficient to track and report on foreign assistance funds. That report recommended that the Department develop a list of specific bureaus' requirements related to tracking and reporting foreign assistance funds and a comprehensive plan to address foreign assistance tracking and reporting requirements. That is, the responsibility for addressing this systemic problem is best placed with the Department rather than individual bureaus.

As a result, OIG closed Recommendation 14.

#### *Strategic Planning and Budgeting*

In the 2014 report, OIG found that INL lacked a standard process for using performance results to inform strategic planning and budgeting. Without a standard process—as required by Presidential Policy Directive 23 on Security Sector Assistance and the Quadrennial Diplomacy and Development Review—Foreign Assistance funds risk being spent on ineffective programs. OIG recommended that INL integrate performance outcomes and evaluation findings into its strategic planning and budgeting process (Recommendation 13).

During the CFR, OIG reviewed the new guidance that the INL Office of Budget Planning, Formulation, and Presentation sent to the Office Directors and Deputy Directors in March 2015,

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<sup>3</sup> OIG, *Management Assistance Report: Department Financial Systems are Insufficient to Track and Report on Foreign Assistance Funds* (ISP-I-15-14, February 2015).

which requested FY 2017 budget figures. For the first time, the Office of Budget Planning, Formulation, and Presentation requested that these budget figures specifically include language addressing performance and sustainability, so that performance results could be integrated into strategic planning and budgeting. Prior budget requests had not included elements that measured the impact of project performance and project sustainability. Integration of performance results was still forthcoming at the time of the CFR.

As a result, OIG closed Recommendation 13.

### ***Acquisition Support***

In the 2014 inspection, OIG noted audit findings concluding that the Office of Acquisitions Management (A/LM/AQM) did not have the staff to provide timely procurement services and specifically found that this impaired critical contractual actions that INL needed. OIG also emphasized the size, complexity, and number of INL transactions and found that INL's contracting warrants were unnecessarily limited. To allow AQM to focus on the largest, most complex contracts, OIG recommended that the Bureau of Administration revise the INL contracting warrants to \$6.5 million for commercial items, \$1 million for non-commercial items, and up to the maximum limitation for orders under existing contracts. OIG further recommended that such an increase should be extended to four INL contracting officers (Recommendation 15).

During the CFR, OIG confirmed that the Bureau of Administration increased warrant authority as recommended.

As a result, OIG closed Recommendation 15.

### ***Service Level Agreement***

During the 2014 inspection, OIG determined that INL and the Bureau of Administration had executed their first service-level agreement in April 2014 in order to improve working relations. OIG recommended that the Bureau of Administration, in coordination with INL, revise the service level agreement provisions for quarterly reviews to include both an accounting of time that AQM devoted to INL service during the previous quarter and an accounting of turnaround time for each transaction, so that both parties could assess whether the level of service provided was adequate in relation to the fees paid (Recommendation 16).

During the CFR, OIG confirmed that AQM revised the service level agreement to include turn-around time metrics on procurement lead times, which were agreed upon by both parties.

As a result, OIG closed Recommendation 16.

## Decision Making and Documentation

OIG found in the 2014 inspection that INL principals held thrice-weekly senior staff meetings to make decisions and issue instructions. However, the bureau did not keep a formal record of these decisions or disseminate meeting notes. OIG recommended that INL systematically record and disseminate policy and program decisions and taskings, including those issued in front office meetings (Recommendation 5).

During the CFR, OIG verified that INL now regularly posts senior staff meeting notes and policy and program decisions on its SharePoint site.

As a result, OIG closed Recommendation 5.

## Country Plans

During the 2014 inspection, OIG learned that each INL office had a different approach to program planning and monitoring. The quality of planning varied from office to office. Country planning documents did not contain performance information. INL had no criteria or standard practices for presenting country plans to the front office for approval. OIG recommended that INL require each regional program office to develop country plans in alignment with Integrated Country Strategies and other applicable strategic planning instruments, integrating performance information for every country in which it conducts programs or projects (Recommendation 6).

During the CFR, OIG verified that in June 2015, INL issued a sample country plan and instructions to its regional program offices that included instructions consistent with OIG's recommendation. INL also required its functional offices to submit plans for each functional program area. OIG confirmed that the front office had approved 33 plans in the new format in 2016.

As a result, OIG closed Recommendation 6.

## Sustainability

OIG observed in the inspection that INL programs did not consistently include sustainability in project design or as a performance measure for monitoring and evaluation. Bureau guidance on sustainability was scattered among several documents and training programs, and information was scarce on how to develop sustainability indicators and performance measures. OIG recommended that INL develop sustainability guidance that includes best practices and contains standardized metrics that are required for performance measurement plans (Recommendation 7).

During the CFR, OIG confirmed that in April 2015 INL added a sustainability guide to its series of program management guides for INL program officers. The guide is available on the INL

SharePoint site for use by all bureau staff. OIG also issued a Management Assistance Report<sup>4</sup> during the CFR, which stated that the Department has not developed comprehensive guidance for bureaus on how to build sustainability into its foreign assistance programs that annually receive about \$17.6 billion in funding.

As a result, OIG closed Recommendation 7.

## Competition

OIG noted during the 2014 inspection that INL did not consistently encourage competition in awarding grants. OIG recognized the uniqueness and occasional urgency of INL programs but observed that decisions not to compete grants were often poorly justified. Competition promotes fairness, transparency, and cost-effectiveness in the selection process. OIG recommended that INL use full and open competition as the default mechanism for awarding grants and cooperative agreements (Recommendation 8).

During the CFR, OIG confirmed that the INL June 2015 Standard Operating Policies and Practices procedures for grants conforms to the competition requirements set by the Office of the Procurement Executive in its Federal Assistance Policy Directive of March 2015. The INL policy states that assistance awards of less than \$25,000 are not subject to full and open competition but nevertheless encourages competition whenever possible and establishes that INL will not sole source any program with a value greater than \$25,000.

As a result, OIG closed Recommendation 8.

## Roles and Responsibilities

During the 2014 inspection, OIG found that INL staff in program offices was unclear about the respective roles of Washington-based program officers, resource management staff, AQM staff, and overseas INL section direct-hire and locally employed staff members. In some cases, INL employees were also unclear as to the appropriate roles of grantee or contractor staff members. The guidance in the Department's Grant Policy Directives and the Foreign Affairs Handbook only applied to Grants Officers, Contracting Officers, and Contracting Officer's Representatives during the pre-award phase, but not during the program management phase. OIG recommended that the bureau define specific roles and responsibilities for program management across the life cycle of a foreign assistance program, both in Washington and overseas (Recommendation 9).

During the CFR, OIG verified that INL developed guidance outlining roles and responsibilities for individual offices and officers with primary responsibility for program management. INL posted the guidance widely and distributed it in the INL Orientation Course at the Foreign Service Institute (FSI).

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<sup>4</sup> OIG, *Management Assistance Report: Foreign Assistance Sustainability is Not Clearly Defined in the Foreign Affairs Manual* (ISP-16-14, April 2016).

As a result, OIG closed Recommendation 9.

## **Policies and Procedures**

During the 2014 inspection, OIG found that in the 2 years prior to the inspection, INL had developed 4 major new guides to program design and management and issued 92 standard operating policies and procedures. Staff members were uncertain about what was required and what was optional. In addition, offices did not have sufficient opportunity to influence the content of new templates, for which they are the main customers. OIG recommended that INL standardize its process for drafting, testing, disseminating, and implementing all new program management policies and procedures (Recommendation 10).

During the CFR, OIG verified that INL in January 2015 established a Quality Council to improve the bureau's business processes. Since March 2015, the council has been working on various projects, including one covering the process for changing standard operating policies and procedures.

As a result, OIG closed Recommendation 10.

## **Monitoring Performance**

OIG noted during the 2014 inspection that INL did not apply consistent standards for monitoring and documenting program performance. INL failed to make compliance with its Standard Operating Policy/Procedures on Monitoring and Evaluation mandatory. Although the Standard Operating Policies and Practices contained a quarterly progress report template, performance metrics were not measurable or verifiable in many cases. OIG recommended that INL require compliance with its Standard Operating Policy/Procedures on Monitoring and Evaluation (Recommendation 11).

During the CFR, OIG verified that INL instituted mandatory compliance with standards and monitoring standards in the publication of the Monitoring and Evaluation Standard Operating Policies and Practices on April 22, 2014. OIG verified training and orientation programs on monitoring and evaluation procedures by reviewing its SharePoint site. OIG reviewed INL training curricula on the inclusion of resources and best practices on monitoring and evaluation subjects in tradecraft training courses.

As a result, OIG closed Recommendation 11.

### ***Official Travel Documentation***

OIG learned during the 2014 inspection that INL did not have a policy on documenting official travel to program countries and projects. The INL Western Hemisphere Office required its officers to submit trip reports that provided extensive reporting on projects in the area. The information in these trip reports contributed to the country program files. Other INL offices

encouraged trip reports but did not require them. OIG recommended that INL require all staff members to submit trip reports promptly (Recommendation 12).

During the CFR, OIG verified that INL published an Administrative Notice on February 8, 2015, requiring officers throughout the bureau to submit trip reports within 30 days. The CFR team also reviewed trip report logs bureau-wide for adherence to the policy.

As a result, OIG closed Recommendation 12.

## REORGANIZATION

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### **Office of Resource Management**

OIG ascertained in the 2014 inspection report that INL/RM comprised half of the INL Washington staff. Eight divisions reported to a Senior Executive Service Office Director who served as the bureau's Comptroller and Executive Director. INL/RM's functions covered 10 areas of responsibility: strategic planning, budget formulation, contracts and grants administration, budget execution, program evaluation, audit oversight, human resources, IT, security, and administrative services. OIG suggested refining the 10 functions into 3 distinct functions: comptroller, planning and budget, and executive office. To strengthen each function, eliminate one supervisory layer, and encourage closer integration between offices, OIG recommended that INL divide INL/ into three offices: an Office of the Comptroller; an Office of Strategic Planning and Budgeting; and an Executive Office, with all three reporting to the same Deputy Assistant Secretary (Recommendation 1).

During the CFR, OIG verified that INL submitted an information memo in July 2015 to the Under Secretary for Management implementing the proposed INL/RM realignment.

As a result, OIG closed Recommendation 1.

### **Office of Policy Planning and Coordination**

#### *Public Affairs and Public Diplomacy Unit*

OIG observed during the inspection that the Public Affairs and Public Diplomacy unit had little interaction with the other two units in the Office of Planning and Coordination and that the senior public affairs officer was separated from the Assistant Secretary by four levels of hierarchy. Typically, Department press officers and advisors work closely with principals. OIG recommended that INL move the Public Affairs and Public Diplomacy unit to the Front Office (Recommendation 2).

During the CFR, OIG verified that the senior Public Affairs Officer and Public Affairs and Public Diplomacy unit now have regular direct contact with the Front Office. The unit provides bureau-wide support to INL while remaining within the Office of Policy, Planning, and Coordination.

As a result, OIG closed Recommendation 2.

***Anti-crime Programs; Criminal Justice and Assistance Partnerships; and Policy, Planning, and Coordination Offices***

During the 2014 inspection, OIG observed that three INL functional offices (Anti-crime Programs; Criminal Justice and Assistance Partnerships; and Policy, Planning, and Coordination) had overlapping responsibilities. These offices' portfolios were the result of an accretion of duties over time, rather than sound planning or a logical division. OIG recommended that INL reorganize the three offices into two, one of which would be responsible for policy direction and coordination and the other for training, justice system subject matter expertise, and technical assistance (Recommendation 3).

During the CFR, OIG confirmed that the INL Principal Deputy Assistant Secretary approved the Front Office proposal to shift the global drug demand reduction portfolio from the Office of Anticrime Programs to the Office of Policy, Planning, and Coordination. This restructuring groups similar functions together to support the bureau's overall mission, rather than grouping functions by policy direction and program technical expertise. The realignment unifies global counter-narcotics policy and programs in one office.

As a result, OIG closed Recommendation 3.

**Office of Africa and Middle East Programs**

During the 2014 inspection, OIG noted that the Office of Africa and Middle East Affairs was the largest of the four geographic offices in INL, with 40 staff members and 2 divisions. The Director and Deputy Director were required to oversee all country programs in two regions of great size and complexity. OIG considered the division chiefs to be overextended, which affected quality control and performance management. OIG recommended that INL, in coordination with the Bureau of Human Resources, divide the Office of Africa and Middle East Programs into two separate geographic offices (Recommendation 4).

During the CFR, OIG found that INL reorganized the Office of Africa and Middle East Affairs, eliminating the two divisions and creating four teams, each under a supervisory GS-14 team leader, who reports to the Office Director through the Deputy Director. This arrangement allows the office to eliminate one layer of management, keep organizational layers to a minimum, and provide appropriate oversight and supervision. It also mirrors the existing structures in other INL regional program offices while taking advantage of common expertise regarding several recurring policy issues that are common to the two geographic bureaus. These include: emerging Arab Spring priorities; growing needs in West Africa and the Sahel; critical security requirements in Somalia, Kenya, and Yemen; and new bilateral wildlife trafficking programs and

programming in Democratic Republic of the Congo, Lebanon, South Sudan, Liberia, Somalia, and South Africa. Also, with the 2013 closure of the INL Iraq Office, the Office of Africa and Middle East Affairs took on the remaining Iraq portfolio and additional staff members.

As a result, OIG closed Recommendation 4.

## TRAINING

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### Bureau Orientation

OIG discovered during the 2014 inspection that INL lacked an orientation procedure for new employees.. OIG also noted that individual offices had different approaches to training with uneven results. OIG recommended an INL "boot camp," which would cover the basic doctrines, procedures, and training requirements for all new domestic staff members assuming their responsibilities (Recommendation 17).

During the CFR, OIG verified INL updated all training courses and refined the curriculum for its INL Orientation Course at FSI. Further, INL expanded its training curriculum at FSI and extended it to overseas training for its tradecraft type programs.

As a result, OIG closed Recommendation 17.

### Competency Training

During the 2014 inspection, OIG found that INL Program Officers did not receive training in program management before assuming responsibility for a foreign assistance portfolio. Similarly, new Financial Management Analysts received no formal training before becoming accountable for foreign assistance resource management. The INL course catalogue listed 20 INL-specific courses, but the bureau had no mandated curriculum. As a consequence, Program Officers and INL/RM staff managed complex demands for project design, monitoring, and evaluation with varying levels of competence. OIG recommended that INL establish and track training and certification requirements for every position in the Bureau (Recommendation 18).

During the CFR, OIG observed that INL has made progress to ensure that employees receive Department-mandated training. A "Welcome to INL!" email broadcast to new employees sets out the required training, and the INL training officer tracks each employee's status. However, no similar procedures exist for discretionary training related to job performance and professional development. INL has compiled a draft Competency Training Catalog that lists all appropriate training (Department-mandated, bureau-required, and discretionary) for every position in the bureau. Final approval and implementation in accordance with 13 Foreign Affairs Manual 022.5, when completed, will address this issue.

As a result, OIG revised and reissued Recommendation 18.

**Recommendation CFR 1:** The Bureau of International Narcotics and Law Enforcement Affairs should establish and track all training requirements for program officers and financial management analysts. (Action: INL)

## Foreign Service Institute Training

During the 2014 inspection, OIG found that three online training courses (Financial Management, Program and Project Management, and Contract Administration) out of date and inconsistent with both the INL revised standard operating policies and procedures and the Department's latest guidelines on program evaluation. The outdated courses created confusion when the staff tried to apply what they learned to rapidly changing sets of requirements. OIG recommended that INL update its existing FSI classroom and online training, in coordination with FSI, to reflect updated guidance and procedures (Recommendation 19).

During the CFR, OIG verified that FSI offers four INL-specific training courses: one classroom-based and the other three online instruction. FSI reported that the classroom course was offered once per year and is now updated annually. INL "owned" the three distance learning courses, which were in the process of being reviewed and updated. INL completed its draft update of one online course and submitted the package to FSI for review in December 2015. On the second, INL was finalizing the content in coordination with the publishing of the new INL Financial Management Handbook. It was expected to be completed by October 2016. On the third, FSI and INL completed their work and the course was live on the FSI website.

As a result, OIG closed Recommendation 19.

## MANAGEMENT AND COORDINATION

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### Bureau Communication

#### *Internal Communication*

During the 2014 inspection, OIG found that, despite a growing intranet site and frequent administrative notices, bureau staff lacked information on Front Office decisions, priorities, and goals as well as a sense of bureau mission and purpose. OIG recommended that INL create and circulate a monthly internal bureau report to address policy and program management issues, as well as personnel-related developments and decisions (Recommendation 20).

During the CFR, OIG confirmed with the INL/RM Director that, because of frequent rotations of INL/RM directors, the recommended report has not been distributed each month. Nevertheless, INL/RM had published newsletters addressing significant policy issue changes.

As a result, OIG closed Recommendation 20.

### *External Communication*

During the 2014 inspection, OIG found that the INL Beat newsletter's objectives were "to inform the general public about INL's work" and "to share success stories and updates" within the bureau. However, the Beat did not serve any practical internal information purposes, and INL had not defined the external target audience for the publication. OIG recommended that INL revise the mission and objectives of its Beat newsletter so that it is targeted to the appropriate external audiences and conduct a survey of external recipients to gauge its effectiveness and guide revisions (Recommendation 21).

During the CFR, OIG found that INL surveyed Beat newsletter readers in May and September 2015 and had used survey findings to make changes to the newsletter's content and format. The revised newsletter contained updated information on its mission, objectives, and target audience in internal bureau guidance documents.

As a result, OIG closed Recommendation 21.

## **Records and Files**

### *Project Files*

OIG noted during the 2014 inspection that not all project files were complete or current. OIG recommended that INL standardize procedures for the maintenance of project files and hold accountable those employees assigned that responsibility by including project file maintenance in their work requirements and performance reviews (Recommendation 22).

During the CFR, OIG verified that INL has established a records management policy and that each INL office will establish a standard operating policy to maintain its records and project files, similar to the approved protocol for the INL Office of Policy Planning and Coordination. Existing policies make employees responsible for the management of their respective files. Further, AQM conducts monthly contract file reviews to ensure proper contract file documentation. In the January 2016 review of 53 Department-wide files, AQM reported that all 11 INL files were free of errors or omissions.

As a result, OIG closed Recommendation 22.

### *Records Management*

During the 2014 inspection, OIG found that INL lacked a system to identify, store, organize, and retain records. OIG recommended that INL implement a records management program that includes procedures for records identification, storage, organization, retention, and retirement (Recommendation 23).

During the CFR, OIG confirmed that the Bureau of Administration's Office of Global Information Services finalized the INL records schedules and submitted them for final approval to the

National Archives and Records Administration on February 11, 2015. The Office of Global Information Services has full action on the submission. INL issued standard operating procedures for its Records and Information Management Program in May 2015 that outline the INL Records Management Program. The standard operating procedures contains links to the records disposition and retirement schedules posted and maintained by the Office of Global Information Services. While awaiting National Archives and Records Administration final approval, INL continues to implement the guidance laid out in its standard operating procedures.

As a result, OIG closed Recommendation 23.

## **Information Management**

### ***IT Strategic Planning***

During the inspection, OIG found no IT strategic plan. OIG recommended that INL establish an IT strategic plan that outlines the information management missions and objectives (Recommendation 24).

During the CFR, OIG reviewed the IT portions of the INL Strategic Plan (FYs 2014–16). All INL employees can access this plan through a link on the INL SharePoint website. OIG noted that the Information Management mission and objectives were clearly outlined in the strategic plan.

As a result, OIG closed Recommendation 24.

### ***Interagency Agreement System***

OIG found during the 2014 inspection that interagency agreements are the primary mechanisms for funding projects with other government agencies. INL developed an online site, called iTrack, to manage these projects. OIG found that the iTrack site lacked adequate access controls. Any OpenNet user could create, edit, approve, or delete documents. OIG recommended that INL establish access controls to the iTrack system (Recommendation 25).

During the CFR, OIG verified that INL's IT division implemented security controls for iTrack in August 2015. The iTrack security protocols were finalized and issued as an INL Administrative Notice to the whole bureau on January 8, 2016.

As a result, OIG closed Recommendation 25.

### ***Global Project Management and System Analysis***

During the 2014 inspection, OIG identified weaknesses in the INL Global Project Management and System Analysis program, which provides IT technical assistance to INL overseas projects that have an IT component. These weaknesses involved shortcomings in allocating program resources, planning, oversight, accountability, and the overall management of this program. The

program's project plans and trip reports lacked standardization and several projects had incomplete or missing documentation. The IT strategic plan was established in 2012 and for that reason was outdated and obsolete. OIG recommended that INL clearly define the objectives of the Global Project Management and System Analysis program and determine how best to fulfill the requirements for IT technical assistance (Recommendation 26).

During the CFR, OIG confirmed that the Global Project Management and System Analysis team's strategic plan had been updated and aligned with the Department's and bureau's strategic plans.

As a result, OIG closed Recommendation 26.

## **Security Management**

During the inspection, OIG found an unmanageable arrangement between INL and the Bureau of Diplomatic Security (DS) regarding the INL security program. A DS employee served as the INL Bureau Security Officer, yet this employee took day-to-day direction from the INL Deputy Executive Director for INL/RM. Limited interaction between INL/RM and the Bureau Security Officer highlighted a lack of program structure and support. OIG recommended that INL, in coordination with DS, complete a memorandum of agreement on Bureau Security Officer support (Recommendation 27).

During the CFR, OIG reviewed a copy of the INL-DS memorandum of agreement that DS signed on April 14, 2015, and INL signed on April 15, 2015. The roles and responsibilities of the Bureau Security Officer are outlined in the memorandum of agreement. The memorandum of agreement improved the INL-DS program structure and reinforced the INL security program.

As a result, OIG closed Recommendation 27.

## ***Testing of Alarm Systems***

At the time of the 2014 OIG inspection, INL occupied four separate State Annexes—SA-1, SA-4, SA-22, and SA-44. OIG learned that the Bureau Security Officer had not tested the security alarm systems in the INL office locations. OIG recommended annual testing of the intrusion detection alarm systems (Recommendation 28).

During the CFR, OIG observed that INL has consolidated its offices into one State Annex, SA-1. The Bureau Security Officer initiated annual testing of the Intrusion Alarm System in August 2015 and provided a copy to OIG.

As a result, OIG closed Recommendation 28.

## CFR RECOMMENDATION

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**Recommendation CFR 1:** The Bureau of International Narcotics and Law Enforcement Affairs should establish and track all training requirements for program officers and financial management analysts. (Action: INL)

## PRINCIPAL OFFICIALS

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Office/Title	Name	Arrival Date
Assistant Secretary	William R. Brownfield	01/11
Principal Deputy Assistant Secretary	Luis E. Arreaga	03/15
Deputy Assistant Secretary	Alexander Arvizu	03/15
Deputy Assistant Secretary	James A. Walsh	03/15
Deputy Assistant Secretary	Daniel L. Foote	09/15
Office of Anticrime Programs	Susan S. Snyder	01/16
Office of Policy Planning and Coordination	Kara C. McDonald	06/15
Controller/Executive Director, Resources Management	Mary Pat Hayes-Crow	10/15
Office of Europe and Asia Programs	Cari R. Enav	07/15
Office of Western Hemisphere Programs	Richard Glenn	07/15
Office of Afghanistan and Pakistan Programs	Jeffrey Roberson	09/15
Office of Africa and Middle East Programs	Anthony Fernandes	06/14
Office of Criminal Justice and Assistance	Vacant	
Partnerships	Robert Gifford	12/14
Office of Aviation	Philip J. Schlatter	07/14

**Source:** Bureau of International Narcotics and Law Enforcement Affairs

## APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

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This CFR was conducted in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2012 by the Council of the Inspectors General on Integrity and Efficiency, and the Inspector's Handbook, as issued by OIG for the Department and the Broadcasting Board of Governors.

### **Purpose and Scope**

The Office of Inspections provides the Secretary of State, the Chairman of the Broadcasting Board of Governors, and Congress with systematic and independent evaluations of the operations of the Department and the Broadcasting Board of Governors. CFRs assess the inspected entities' compliance with recommendations made in previous inspections and verify whether agreed-upon corrective actions for recommendations issued in previous reports were fully and properly implemented.

### **Methodology**

During the course of this CFR, the inspectors: reviewed recommendations issued in the original inspection report and the reported corrective actions; collected and reviewed documentation and conducted those interviews necessary to substantiate reported corrective actions; and reviewed the substance of the report and its findings and recommendations with offices, individuals, and activities affected by this review.

For this CFR, the team conducted 27 documented interviews and reviewed an additional 142 documents in the Bureau of Administration, DS, and INL.

## APPENDIX B: STATUS OF 2014 INSPECTION FORMAL RECOMMENDATIONS

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**Recommendation 1:** The Bureau of International Narcotics and Law Enforcement Affairs should divide the Office of Resource Management into three offices: an Office of the Comptroller; an Office of Strategic Planning and Budgeting; and an Executive Office—all three reporting to the same deputy assistant secretary. (Action: INL, in coordination with DGHR)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 2:** The Bureau of International Narcotics and Law Enforcement Affairs should move the Public Affairs and Public Diplomacy unit to the front office. (Action: INL)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 3:** The Bureau of International Narcotics and Law Enforcement Affairs should reorganize the Office of Anticrime Programs; the Office of Criminal Justice and Assistance Partnerships; and the Office of Policy, Planning, and Coordination into two offices, one of which should be responsible for policy direction and coordination and the other responsible for training, justice system subject matter expertise, and technical assistance. (Action: INL, in coordination with DGHR)

**Pre-CFR Status:** Open

**CFR Status:** Closed

**Recommendation 4:** The Bureau of International Narcotics and Law Enforcement Affairs, in coordination with the Bureau of Human Resources, should divide the Office of Africa and Middle East Programs into two separate geographic offices. (Action: INL, in coordination with DGHR)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 5:** The Bureau of International Narcotics and Law Enforcement Affairs should systematically record and disseminate policy and program decisions and taskings, including those issued in front office meetings. (Action: INL)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 6:** The Bureau of International Narcotics and Law Enforcement Affairs should require that each regional program office develop country plans in alignment with Integrated Country Strategies and other applicable strategic planning instruments, integrating performance information, for every country in which it conducts programs or projects. (Action: INL)

**Pre-CFR Status:** Resolved

**CFR Status:** Closed

**Recommendation 7:** The Bureau of International Narcotics and Law Enforcement Affairs should develop sustainability guidance that includes best practices and contains standardized metrics that are required for performance measurement plans. (Action: INL)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 8:** The Bureau of International Narcotics and Law Enforcement Affairs should use full and open competition as the default mechanism for awarding grants and cooperative agreements. (Action: INL)

**Pre-CFR Status:** Resolved

**CFR Status:** Closed

**Recommendation 9:** The Bureau of International Narcotics and Law Enforcement Affairs should define specific roles and responsibilities for program management across the life cycle of a program, both in Washington and overseas. (Action: INL)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 10:** The Bureau of International Narcotics and Law Enforcement Affairs should standardize its process for drafting, testing, disseminating, and implementing all new program management policies and procedures. (Action: INL)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 11:** The Bureau of International Narcotics and Law Enforcement Affairs should make compliance with its Standard Operating Policy/Procedures on Monitoring and Evaluation mandatory. (Action: INL)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 12:** The Bureau of International Narcotics and Law Enforcement Affairs should require all staff to submit trip reports promptly. (Action: INL)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 13:** The Bureau of International Narcotics and Law Enforcement Affairs should integrate performance outcomes and evaluation findings into its strategic planning and budgeting process. (Action: INL)

**Pre-CFR Status:** Resolved

**CFR Status:** Closed

**Recommendation 14:** The Office of Management Policy, Rightsizing, and Innovation, in coordination with the Bureau of U.S. Foreign Assistance Resources, the Bureau of the Comptroller and Global Financial Services, and the Bureau of Information Resource Management, should convene a working group with a mandate to adapt existing Department systems or to adopt or develop an alternative system that would provide timely, accurate information needed to manage foreign assistance. (Action: M/PRI, in coordination with F, CGFS, and IRM)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 15:** The Bureau of Administration should revise the Bureau of International Narcotics and Law Enforcement Affairs contracting warrants to increase warrant levels to \$6.5 million for commercial items, \$1 million for non-commercial items, and up to the maximum limitation for orders under existing contracts and should grant these warrants to four Bureau of International Narcotics and Law Enforcement Affairs contracting officers. (Action: A)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 16:** The Bureau of Administration, in coordination with the Bureau of International Narcotics and Law Enforcement Affairs, should revise the service level agreement provision for quarterly reviews to include both an accounting of time AQM devoted to INL service during the previous quarter and an accounting of turnaround time for each transaction, so that both parties can assess whether the level of service provided is adequate in relation to the fees paid. (Action: A, in coordination with INL)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 17:** The Bureau of International Narcotics and Law Enforcement Affairs should establish a "boot camp" for all new domestic staff which covers the basic doctrines, procedures, and training requirements needed to assume their responsibilities. (Action: INL)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 18:** The Bureau of International Narcotics and Law Enforcement Affairs should establish and track training and certification requirements for every position in the bureau. (Action: INL)

**Pre-CFR Status:** Resolved

**CFR Status:** Reissued as Recommendation CFR 1

**Recommendation 19:** The Bureau of International Narcotics and Law Enforcement Affairs should update its existing Foreign Service Institute classroom and online training, in coordination with the Foreign Service Institute, to reflect updated guidance and procedures. (Action: INL, in coordination with FSI)

**Pre-CFR Status:** Resolved

**CFR Status:** Closed

**Recommendation 20:** The Bureau of International Narcotics and Law Enforcement Affairs should create and circulate a monthly internal bureau report to address policy and program management issues, as well as personnel-related developments and decisions. (Action: INL)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 21:** The Bureau of International Narcotics and Law Enforcement Affairs should revise the mission and objectives of its BEAT newsletter so that it is targeted to the appropriate external audiences and conduct a survey of external recipients to gauge its effectiveness and guide revisions. (Action: INL)

**Pre-CFR Status:** Resolved

**CFR Status:** Closed

**Recommendation 22:** The Bureau of International Narcotics and Law Enforcement Affairs should standardize procedures for the maintenance of project files and hold accountable those assigned responsibility for maintaining project files by including project file maintenance in their work requirements and performance reviews. (Action: INL)

**Pre-CFR Status:** Resolved

**CFR Status:** Closed

**Recommendation 23:** The Bureau of International Narcotics and Law Enforcement Affairs should implement a records management program that includes procedures for records identification, storage, organization, retention, and retirement. (Action: INL)

**Pre-CFR Status:** Resolved

**CFR Status:** Closed

**Recommendation 24:** The Bureau of International Narcotic and Law Enforcement Affairs should establish an information technology strategic plan that outlines the Information Management mission and objectives. (Action: INL)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 25:** The Bureau of International Narcotics and Law Enforcement Affairs should establish access controls to the iTrack system. (Action: INL)

**Pre-CFR Status:** Resolved

**CFR Status:** Closed

**Recommendation 26:** The Bureau of International Narcotics and Law Enforcement Affairs should clearly define the objectives of the Global Project Management and System Analysis program and determine how best to fulfill the requirements for information technology technical assistance. (Action: INL)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 27:** The Bureau of International Narcotics and Law Enforcement Affairs, in coordination with the Bureau of Diplomatic Security, should complete a memorandum of agreement on Bureau Security Officer support. (Action: INL, in coordination with DS)

**Pre-CFR Status:** Closed

**CFR Status:** Closed

**Recommendation 28:** The Bureau of International Narcotics and Law Enforcement Affairs, in conjunction with the Bureau of Diplomatic Security, should test annually its security alarm systems. (Action: INL, in coordination with DS)

**Pre-CFR Status:** Resolved

**CFR Status:** Closed

## ABBREVIATIONS

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A/LM/AQM	Office of Acquisitions Management
CFR	Compliance Follow-up Review
DS	Bureau of Diplomatic Security
FSI	Foreign Service Institute
INL	Bureau of International Narcotics and Law Enforcement Affairs
INL/RM	Office of Resource Management

## INSPECTION TERMS AND DEFINITIONS

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**Compliance Response:** A written response from the action office to which a recommendation has been assigned for action, informing OIG of agreement or disagreement with the recommendation. Comments indicating agreement shall include planned corrective actions and, where appropriate, the actual or proposed target dates for achieving these actions. The reasons for any disagreement with a recommendation must be explained fully. Where disagreement is based on interpretation of law, regulation, or the authority of officials to take or not take action, the response must include the legal basis.

**Final Action:** The completion of all actions that the management of an action office, in its management decision, has concluded is necessary to address the findings and recommendations in OIG reports.

**Finding:** A conclusion drawn from facts and information about the propriety, efficiency, effectiveness, or economy of operation of a post, unit, or activity.

**Management Decision:** When the management of an action office for an OIG recommendation informs OIG of its intended course of action in response to a recommendation. If OIG accepts the management decision, the recommendation is considered resolved. If OIG does not accept the management decision and the issue cannot be resolved after a reasonable effort to achieve agreement, the Inspector General may choose to take it to impasse.

**Open Recommendation:** An open recommendation is either resolved or unresolved (see definitions of recommendation status below).

**Recommendation:** A statement in an OIG report requiring action by the addressee organizations or officials to correct a deficiency or need for change or improvement identified in the report.

### **Recommendation Status:**

**Resolved:** Resolution of a recommendation occurs when:

- The action office concurs with the recommendation (OIG accepted a management decision), but the action office has not presented satisfactory evidence that it has implemented the recommendation or some alternative course of action acceptable to OIG.
- The action office informs OIG that it disagrees with all or part of the recommendation, and OIG agrees to accept partial compliance or noncompliance.
- Impasse procedures have led to a positive or negative final management decision.

**Unresolved:** An unresolved recommendation occurs when the action office:

- Has not responded to OIG.

- Has failed to address the recommendation in a manner satisfactory to OIG.
- Disagrees with the recommendation and did not suggest an alternative acceptable to OIG.
- Requests OIG refer the matter to impasse, and the impasse official has not yet issued a decision.

**Closed:** A recommendation is closed when one of the following situations applies:

- OIG formally notifies the action office that satisfactory evidence of final action (i.e., information provided by the action office that confirms or attests to implementation) on an OIG recommendation has been accepted. The closing of a recommendation from an OIG report does not relieve the responsible manager of the obligation to report to OIG any changed circumstances substantially affecting the problem areas addressed in the recommendation or report and the effectiveness of agreed actions to correct these problems.
- OIG acknowledges to the action office that an alternative course of action to the action proposed in the recommendation will satisfy the intent of the recommendation and satisfactory evidence showing that the alternative action has been completed is provided to OIG.
- OIG agrees partial implementation is acceptable and has been completed.
- OIG agrees that noncompliance is acceptable.

## CFR TEAM MEMBERS

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