



UNITED STATES DEPARTMENT OF STATE
AND THE BROADCASTING BOARD OF GOVERNORS
OFFICE OF INSPECTOR GENERAL

ISP-I-13-36

Office of Inspections

June 2013

**Inspection of
the Bureau of Consular Affairs, Office of
the Comptroller**

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PURPOSE, SCOPE, AND METHODOLOGY OF THE INSPECTION

This inspection was conducted in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2011 by the Council of the Inspectors General on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

PURPOSE AND SCOPE

The Office of Inspections provides the Secretary of State, the Chairman of the BBG, and Congress with systematic and independent evaluations of the operations of the Department and the BBG. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and economy and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instances of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

METHODOLOGY

In conducting this inspection, the inspectors: reviewed pertinent records; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.



United States Department of State
and the Broadcasting Board of Governors

Office of Inspector General

PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability, and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "H.W. Geisel".

Harold W. Geisel
Deputy Inspector General

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Key Judgments

- In its short history, the Bureau of Consular Affairs, Office of the Comptroller (CA/C) has been plagued by insufficient and unevenly trained staff, interpersonal difficulties, and an uncertain mission.
- Some of the roles and responsibilities of CA/C, particularly regarding contracting oversight and management controls policy, are not sufficiently clear to stakeholders and employees.
- The over \$2.5 billion Border Security Program (BSP) does not have a designated program manager; this deficiency diffuses responsibility for program oversight and administration.

All findings and recommendations in this report are based on conditions observed during the on-site review and the standards and policies then in effect. The report does not comment at length on areas where the OIG team did not identify problems that need to be corrected.

The inspection took place in Washington, DC, between January 14 and March 15, 2013.

[Redacted] (b) (6)

[Redacted] conducted the inspection with the assistance of [Redacted] (b) (6)

Context

The Bureau of Consular Affairs (CA) established the Office of the Comptroller (CA/C) in 2011 to account more closely for and manage funds retained from consular fee collections. In establishing the new office, CA transferred responsibility for resource and financial management from its Executive Directorate (CA/EX) and moved part of strategic planning from its Office of Policy Coordination and Public Affairs to CA/C. The bureau also added procurement policy and oversight to CA/C.

In its first 2 years CA/C experienced turnover in several key positions and filled fewer than half its 46 authorized positions. Employee surveys in both CA/C and CA/EX, as well as among customers of the two offices, document lack of understanding of CA/C's mission and confusion about its relationships with other parts of CA and within the Department of State (Department). Beginning in October 2012, the CA Assistant Secretary charged an acting comptroller with filling vacant positions as one of her top three priorities.

A 2012 OIG audit¹ determined that the Department did not have a centralized program management structure for managing the Border Security Program (BSP) and that CA did not exercise authority to oversee all aspects of the program. The audit concluded that roles and responsibilities were not defined clearly and that there was neither sufficient guidance on the use of the funds nor adequate monitoring of expenditures. CA/C is in the process of negotiating service level agreements with bureaus that receive border security funding as a means of exerting control over BSP resources, which is another of the Assistant Secretary's top three priorities for CA/C.

The final of the three priority tasks for the office is to complete an update to the Cost of Service Model that serves as the basis for setting prices for consular services, such as passports and visas. The office also recoups the cost of services that CA provides on behalf of other U.S. Government agencies under the Economy Act of 1932.² CA was among the bureaus selected to pilot a new functional Bureau Resource Request in 2012,³ and CA/C is working to update the model based on lessons learned in the pilot.

This inspection is the first for CA/C. OIG last inspected the Financial Management Division in 2005, when it was part of CA/EX. At that time, CA managed approximately \$700 million in BSP spending. In 2012, the spending plan was \$2.5 billion.

¹ *Audit of Department of State Use of Consular Fees Collected in Support of the Border Security Program*, AUD-FM-12-39, August 2012.

² 31 U.S.C. Section 1535, as amended.

³ In December 2011, the Department issued 11 STATE 124737, which discontinued the Bureau Strategic and Resource Plan. The Bureau Resource Request (three-year strategic plans, with shorter annual resource requests) replaces the Bureau Strategic and Resource Plan beginning with the FY 2014 budget cycle.

Executive Direction

Leadership

In October 2012 the acting comptroller, a GS-15 Civil Service officer, assumed charge of CA/C, which was plagued by insufficient and unevenly trained staff, interpersonal conflict, and a poorly understood mission. Against the backdrop of this difficult environment, the inspectors found the acting comptroller was focusing rightly on the directorate's most pressing problems first.

The inspection period coincided with the acting comptroller's completion of 120 days on the job. During a CA/C all hands meeting to review the state of the office, she explained her role as one of trying both to establish a vision from the top and to bring better structure and foundation from the bottom. She cited the CA Assistant Secretary's three initial priorities for her: completing the Cost of Service Model, filling vacant positions, and establishing service level agreements with other Department bureaus. The acting comptroller credited staff with having made progress on all three priorities but noted the need for CA/C divisions and other parts of CA to work better together and to establish a clearly defined lead division for each project. In OIG surveys, the acting comptroller received high marks from staff for providing structure and organization to the office.

Organizational Structure and Responsibilities

The inspection team found no evidence of a transition plan or a change management initiative to facilitate the transfer of responsibilities for some CA/EX functions to CA/C when the bureau formed the latter in 2011. Employees in both directorates indicate that CA/C did not get off to a good start. Although relations between CA/C and CA/EX are improving, the relationship is still evolving, with survey respondents noting confusion and continued lack of coordination between the two directorates.

One of the thorniest of the joint CA/C-CA/EX issues is how to divide roles and responsibilities for the contracting process. CA/C has oversight responsibility for every CA contract. At the same time, CA/EX manages most domestic CA contracts, whereas other directorates, including Consular Systems and Technology and Passport Services, manage some of their own. Within these broad parameters, CA/C and CA/EX continue to grapple with the division of roles and responsibilities, including administration of the Global Support Strategy (GSS), a 10-year contract with a maximum value of \$2.8 billion that provides visa application support services to consular sections overseas. The CA Assistant Secretary stated that her decisions in response to a December 13, 2011, joint CA/C-CA/EX memorandum should govern their division of contracting responsibilities. In the memorandum she decided that CA/C would refrain from serving as contracting officer's representative (COR) for any contract over which the office also exercises oversight (except GSS, which would be addressed separately). The Assistant Secretary directed the two offices to work together in delineating and implementing their respective contracting roles expeditiously.

CA's Procurement Policy and Oversight Division (CA/C/PPOD) has responsibility for pre-award contract review and approval; compliance with the Department's Acquisition

Regulations, *Foreign Affairs Manual* (FAM), and the Federal Acquisition Regulation; coordinating vendor outreach; monitoring interagency agreements; forecasting needs for bureau contracts; and management of the GSS contract. However, many customers are unaware of CA/C/PPOD's role in contract oversight. Clearly defined, publicized roles and responsibilities are essential to efficient operations, customer satisfaction, and employee morale.

Recommendation 1: The Bureau of Consular Affairs should crosswalk all tasks over which the resource offices share responsibility, or those where responsibility has shifted from one office to the other, and communicate these roles to stakeholders and customers. (Action: CA)

Border Security Program Management

In its 2012 audit, OIG recommended that CA formalize its authority over the BSP and develop clear roles and responsibilities for all parties involved in the program. All three CA/C divisions manage certain aspects of the BSP: the Financial Management Division (CA/C/FMD) is responsible for budget execution and formulation; the Strategic Policy And Planning Division (CA/C/SPPD) for strategic planning and consular fee setting; and CA/C/PPOD for financial oversight and compliance. CA/C is in the process of negotiating service level agreements with bureaus receiving BSP funds in order to comply with several audit recommendations, including developing and implementing a comprehensive monitoring process that entails periodic reviews of BSP expenditures.

The bureau assigned CA/C/PPOD to negotiate the agreements, ostensibly because that office would have oversight responsibility for compliance. Based on analysis of the approved justification for establishing CA/C, the OIG inspection team concluded that it would be more appropriate for CA/C/SPPD to perform this function.

Informal Recommendation 1: The Bureau of Consular Affairs should assign to the Strategic Policy and Planning Division responsibility for negotiating and maintaining service level agreements with other Department of State bureaus for the use of border security funds.

CA has not designated a program manager for the BSP but has established a Foreign Service deputy comptroller position that it has not yet advertised or filled. A program of the size and complexity of the BSP would benefit from an experienced senior-level manager to provide programwide oversight.

Recommendation 2: The Bureau of Consular Affairs, in coordination with the Bureau of Human Resources, should reprogram the deputy comptroller position to that of a program manager for the Border Security Program. (Action: CA, in coordination with DGHR)

Staffing

With the recent arrival of two new division directors, CA/C is beginning to define responsibilities for and fill many of its vacant positions. In doing so, it is important for CA/C not to duplicate the responsibilities of the CA/EX post management analysts, who serve as the primary point of contact for overseas consular managers. Collaboration between CA/C and CA/EX officers is the best way to ensure that posts receive accurate and timely guidance.

In the past 2 years, frequent turnover in CA/C/FMD has increased the workload of senior staff, leaving them unable to provide adequate guidance and direction to newly hired and inexperienced employees. CA/C has begun to address this issue, but the inspection team identified several areas that need immediate attention.

The OIG team's review of CA/C/FMD position descriptions determined that two of the three management analysts assigned to the division perform budget analyst duties. The position description for one of the employees indicates assignment to another division. The inspection team raised these discrepancies with the acting comptroller. CA/C is reviewing its positions to improve distribution of duties and assign backups and will request CA/EX to update position descriptions as necessary.

During the inspection, the acting comptroller and the CA/C/FMD director were considering reallocation of duties among all CA/C/FMD employees and converting a vacant FS-02 position to a GS-14 supervisory budget analyst position to oversee budget formulation and financial management overseas. The inspection team agrees with this approach, which would allow the division director to manage the division overall while delegating more to her subordinates.

Informal Recommendation 2: The Bureau of Consular Affairs should structure staff in the Financial Management Division to include a GS-14 supervisory budget analyst with responsibility for budget formulation and the overseas portfolio.

Morale

Morale varies in this mixed office of Civil Service employees, Foreign Service officers, and contractors. Employees with good morale tend to express a sense of purpose about their work and their belief that CA/C is improving under its new leadership. Employees with low morale continue to cite the issues that have beset CA/C since its inception.

Equal Employment Opportunity

Information on the program is posted in the building currently occupied by CA/C and CA/EX. Preinspection survey material showed employees believe CA to be alert to possible discrimination.

Resource Management

Financial Management

CA/C/FMD is responsible for managing CA's budget and coordinating allocation of BSP funds to other bureaus that share responsibility for the BSP, such as the Bureau of Diplomatic Security. As the lead for the BSP, CA/C coordinates funding requirements for CA and 10 other Department bureaus that receive portions of the visa and other fees CA collects (see the Appendix for a complete breakdown of FY 2012 consular fees and allocations). In FY 2012, CA's share of the \$2.5 million in BSP funds was \$1.4 million. CA's fee-based funding structure requires extensive tracking and reporting of revenues. CA/C/FMD performs traditional budget formulation and execution responsibilities, including funds availability certification, funds obligation and control, and voucher examination. The division also is responsible for processing domestic consular fee refunds. At the time of the inspection, 12 of the division's 18 authorized positions were filled.

The Department recently implemented an initiative to shift from diplomatic and consular program direct funding to consular fee funding, representing significant process changes for CA, other Department bureaus, and posts. In FY 2011, CA became a separate billing entity in the International Cooperative Administrative Support Services (ICASS) program, allowing for greater transparency in the use of consular fee funding. In FY 2012, CA began allotting BSP funds directly to posts for the salaries of all consular locally employed staff members rather than indirectly funding the salaries through the regional bureaus. In FY 2013, CA began direct allocation to posts of support costs for U.S. consular direct-hire employees.

These new processes, along with the growth in BSP funding from approximately \$700 million in FY 2005 to \$2.5 billion in FY 2012, constitute new challenges for CA/C/FMD. Turnover and staffing shortages have exacerbated these challenges. Since its separation from CA/EX in 2011, the division has managed to complete its day-to-day work but at a cost. Although CA/C/FMD customers expressed general satisfaction with the service received, the inspection team also heard complaints about slow response times. Examples include delayed release of FY 2014 budget preparation guidance and late approval for travel authorization funding that resulted in the need to process last-minute emergency travel.

In an OIG survey, some overseas consular section chiefs complained that CA guidance was inadequate for the FY 2011 transition to ICASS. To address these concerns, CA/C revamped its ICASS Web page to improve the quality of information. Also during the inspection, CA/C met with the ICASS Service Center to plan its first Webinar on ICASS, tentatively scheduled for April 2013.

CA/C/FMD is seeking to improve its internal financial and budget record-keeping system, the Consular Affairs Budget System. The division is working with the Office of Consular Systems and Technology to upgrade to a Web-based Enhanced Budget System, which will increase transparency of budget information to customers, including the CA front office and the passport agencies. The system is more user friendly than the current system and provides better reporting capability, which will facilitate improved communication with and information to customers.

Informal Recommendation 3: The Bureau of Consular Affairs should replace its current internal financial and budget record-keeping system with a system that increases transparency of budget data, is user friendly, and provides improved reporting capability.

CA/C/FMD is also transitioning to a Web-based Resource Allocation and Budget Integration Tool to allow posts to plan, track, and report on BSP resources devoted to consular activities. The division also plans to automate the domestic refunds process using Metastorm, a business process management software application used throughout the Department, which should increase efficiencies in this currently manual process. The inspection team supports CA's efforts to achieve a more efficient method for processing and tracking refunds.

Informal Recommendation 4: The Bureau of Consular Affairs should automate the domestic consular fee refunds process and include the capability for part of the processing to be done at passport and other off-site offices.

Procurement Policy and Oversight

CA established CA/C/PPOD to provide bureauwide guidance for and oversight of contractual compliance and procurement-related issues. At the time of the inspection, CA/C had just filled the division director position, vacant for nearly a year, and was beginning to address the lack of clarity of CA/C/PPOD's mission and how staff job responsibilities fit into it. Seven of CA/C/PPOD's 14 authorized positions were filled. Five contractors and an intern were providing support to the staff.

CA/C/PPOD is implementing new processes, including specific oversight guidelines, to incorporate new requirements issued by the Office of the Procurement Executive. CA/C/PPOD is developing a program for CA's CORs and government technical monitors that is designed to establish uniform procedures, including training; to create a centralized place for bureau CORs and government technical monitors to obtain information and guidance on contracting activities; and to conduct regular oversight of COR activities for the bureau. The division launched a Web site for this process. CA/C/PPOD staff is also drafting and updating standard operating procedures.

CA/C/PPOD is planning to develop a database of all CA contracts. This information will assist managers to plan for recompetition, extension, or expiration of contracts. The inspection team concurs with this approach.

Informal Recommendation 5: The Bureau of Consular Affairs should create an automated database in the Procurement Policy and Oversight Division of all bureau contracts and use it to track key milestones such as contract period of performance, expiration date, and designation of a qualified contracting officer's representative.

Financial Oversight and Management Reviews

CA/C/PPOD is also responsible for financial and management controls oversight for CA. The division performs periodic financial and resource management reviews, coordinates internal and external audit requests, and monitors aspects of the overseas fee reconciliation process to ensure accurate collection of consular fees. CA/C/PPOD also coordinates the annual

management controls reporting requirements for CA, as part of the Federal Managers' Financial Integrity Act. CA adopted an internal review program in September 2011 to increase transparency and assist bureau management in identifying and mitigating management vulnerabilities. CA expects to implement best practices identified in these reviews. CA/C/PPOD recently reviewed machine-readable visa fee reconciliations and allotments and conducted separate reviews of unliquidated obligations throughout CA and for CA/PPT and Office of Consular Systems and Technology transactions.

Strategic Policy and Planning

CA/C/SPPD is responsible for broad policy and resource oversight for CA, including serving as the lead on bureau strategic planning, interagency coordination, service level agreements for the BSP, interagency agreements for the Economy Act of 1932, and the Cost of Service Model. The division also works jointly with CA/C/FMD to formulate and present the Bureau Resource Request. Seven of the division's 11 authorized positions were encumbered at the time of the inspection. Five contractors were assisting with the Cost of Service Model, and two others were working on activities in support of the division's strategic planning function.

Cost of Service Model and Economy Act

Office of Management and Budget Circular A-25 requires that Federal agencies review biennially the fees they charge their customers. For CA, compliance with this requirement involves gathering information about the costs of providing consular services globally. CA created a Cost of Service Model to analyze and store this information, ranging from employee compensation to the cost of procuring consular supplies. The precision of the model is critical to ensuring that charges to users are fair and accurate. As the Department moved all the costs involved in placing and maintaining consular employees overseas from the regional bureaus to CA, the model's accuracy assumed greater significance.

Completion of overdue revisions to the Cost of Service Model was the division's top priority at the time of the inspection. In December 2012, a CA/C review uncovered significant errors in counting cost factors. CA/C is now calculating revised unit costs to incorporate them into a new fee schedule to reflect more accurately the cost of those consular services. Once the updates are complete, the Department will publish and seek public comments on the revised fee schedule in the Federal Register, a process that is likely to take several months.

CA maintains the Cost of Service Model on a server separate from OpenNet, because CA has not obtained the necessary OpenNet approvals. This arrangement complicates the process of entering data into the model, a task that a contractor now completes remotely.

Informal Recommendation 6: The Bureau of Consular Affairs should obtain the required approvals to place its Cost of Service Model on OpenNet by July 1, 2013.

The Economy Act of 1932, as amended, authorizes Federal agencies to purchase goods and services from one another on a reimbursable basis. CA/C/SPPD is the lead office for calculating and negotiating reimbursement under the Economy Act for services consular officers perform on behalf of other Federal agencies. CA had entered into an interagency agreement with only one agency: the Department of Homeland Security's Bureau of U.S. Citizenship and

Immigration Services, which incurred about \$15 million for services rendered in FY 2012. Plans are underway to negotiate agreements with the Department of Homeland Security's Bureau of Immigration and Customs Enforcement, the Social Security Administration, the Federal Bureau of Investigation, the Department of Justice, and the Department of Veterans Affairs.

In setting charges for services it provides to other Federal agencies, CA uses its Cost of Service Model to calculate the cost of labor. The remaining challenge is resolving conflicting information in CA systems about the number of services performed. The information available in the Automated Cash Register System is not consistent with the number of services reported in the Consular Consolidated Database. CA ultimately plans to address this and other problems related to multiple databases in its Consular One project to unify all consular systems. In the meantime, CA has instructed posts to use the Automated Cash Register System to track the workload counts. The inspection team endorses this approach.

Strategic Planning

The Department initiated a 3-year strategic planning process in 2012 and selected CA as one of eight functional bureaus to pilot the new process. In May 2012, CA prepared its functional bureau strategy for FYs 2014–2016. CA/C/SPPD indicated that it coordinated with all CA directorates to obtain the information needed to prepare the strategy. Even where larger directorates dedicate staff to planning for future workload, the inspection team concluded that this function does not duplicate the work of CA/C/SPPD.

Based on lessons learned from the pilot for the new process, CA leadership decided to rewrite its functional bureau strategy in 2013 rather than wait until 2015 to make significant changes. Managers will face difficult decisions about how best to prioritize work in this understaffed division.

Management Controls

CA's annual management controls assurance statement, dated August 22, 2012, identified one significant deficiency and reported progress toward addressing two previously identified deficiencies. CA/C drafted the statement and sought contributions from all CA directorates. The statement identified deficiencies in the automated systems that track visa foil destruction and access to passport records. New releases of consular automated systems will correct these deficiencies; CA had already rectified one at the time of the inspection. The third deficiency involved the Overseas Citizens Services Trust Program, which CA is currently addressing.

Each assistant secretary is required under 2 FAM 022.8 a. to designate a senior-level manager to ensure that the Department's management control program requirements are carried out in the bureau and to include fulfillment of that responsibility as a critical job element in the manager's performance agreement. According to 7 *Foreign Affairs Handbook* (FAH)-1 H-636, CA's Assistant Secretary has overall responsibility for management controls within the bureau, and CA/EX is the lead office in the bureau for policies and procedures relating to management controls both within the bureau and for consular sections abroad. This FAH citation predates the establishment of CA/C and does not reflect how CA currently exercises this function. Selection of the comptroller position for this function would reflect the responsibility for resource management assigned to CA/C in the decision documents establishing the office.

Recommendation 3: The Bureau of Consular Affairs should designate the position of the comptroller as the bureau's management control coordinator and include that responsibility as a critical job element in the performance agreement for the comptroller position. (Action: CA)

All directorates in CA have responsibility for designing internal controls that protect information and processes from misuse and fraud. A provision of 7 FAH-1 H-624.2-1 requires overseas posts to submit annual certifications of compliance with consular management controls; 7 FAH-1 H-636 assigns CA/EX responsibility for providing guidance on consular management controls. The latter regulation is out of date. Although CA/EX and other directorates appropriately design and administer internal controls programs, CA/C, in its role as the bureau management control coordinator, has ultimate responsibility for making sure that policy is coordinated bureauwide and that all CA's internal controls programs are consistent. Lack of clarity on who is responsible for management controls could result in confusion or dissemination of contradictory guidance that wastes time and creates vulnerabilities.

Recommendation 4: The Bureau of Consular Affairs should assign responsibility for coordinating policy on consular management controls to its Office of the Comptroller and update the *Foreign Affairs Handbook* accordingly. (Action: CA)

List of Recommendations

Recommendation 1: The Bureau of Consular Affairs should crosswalk all tasks over which the resource offices share responsibility, or those where responsibility has shifted from one office to the other, and communicate these roles to stakeholders and customers. (Action: CA)

Recommendation 2: The Bureau of Consular Affairs, in coordination with the Bureau of Human Resources, should reprogram the deputy comptroller position to that of a program manager for the Border Security Program. (Action: CA, in coordination with DGHR)

Recommendation 3: The Bureau of Consular Affairs should designate the position of the comptroller as the bureau's management control coordinator and include that responsibility as a critical job element in the performance agreement for the comptroller position. (Action: CA)

Recommendation 4: The Bureau of Consular Affairs should assign responsibility for coordinating policy on consular management controls to its Office of the Comptroller and update the *Foreign Affairs Handbook* accordingly. (Action: CA)

List of Informal Recommendations

Informal recommendations cover operational matters not requiring action by organizations outside the inspected unit and/or the parent regional bureau. Informal recommendations will not be subject to the OIG compliance process. However, any subsequent OIG inspection or on-site compliance review will assess the mission's progress in implementing the informal recommendations.

Informal Recommendation 1: The Bureau of Consular Affairs should assign to the Strategic Policy and Planning Division responsibility for negotiating and maintaining service level agreements with other Department of State bureaus for the use of border security funds.

Informal Recommendation 2: The Bureau of Consular Affairs should structure staff in the Financial Management Division to include a GS-14 supervisory budget analyst with responsibility for budget formulation and the overseas portfolio.

Informal Recommendation 3: The Bureau of Consular Affairs should replace its current internal financial and budget record-keeping system with a system that increases transparency of budget data, is user friendly, and provides improved reporting capability.

Informal Recommendation 4: The Bureau of Consular Affairs should automate the domestic consular fee refunds process and include the capability for part of the processing to be done at passport and other off-site offices.

Informal Recommendation 5: The Bureau of Consular Affairs should create an automated database in the Procurement Policy and Oversight Division of all bureau contracts and use it to track key milestones such as contract period of performance, expiration date, and designation of a qualified contracting officer's representative.

Informal Recommendation 6: The Bureau of Consular Affairs should obtain the required approvals to place its Cost of Service Model on OpenNet by July 1, 2013.

Principal Officials

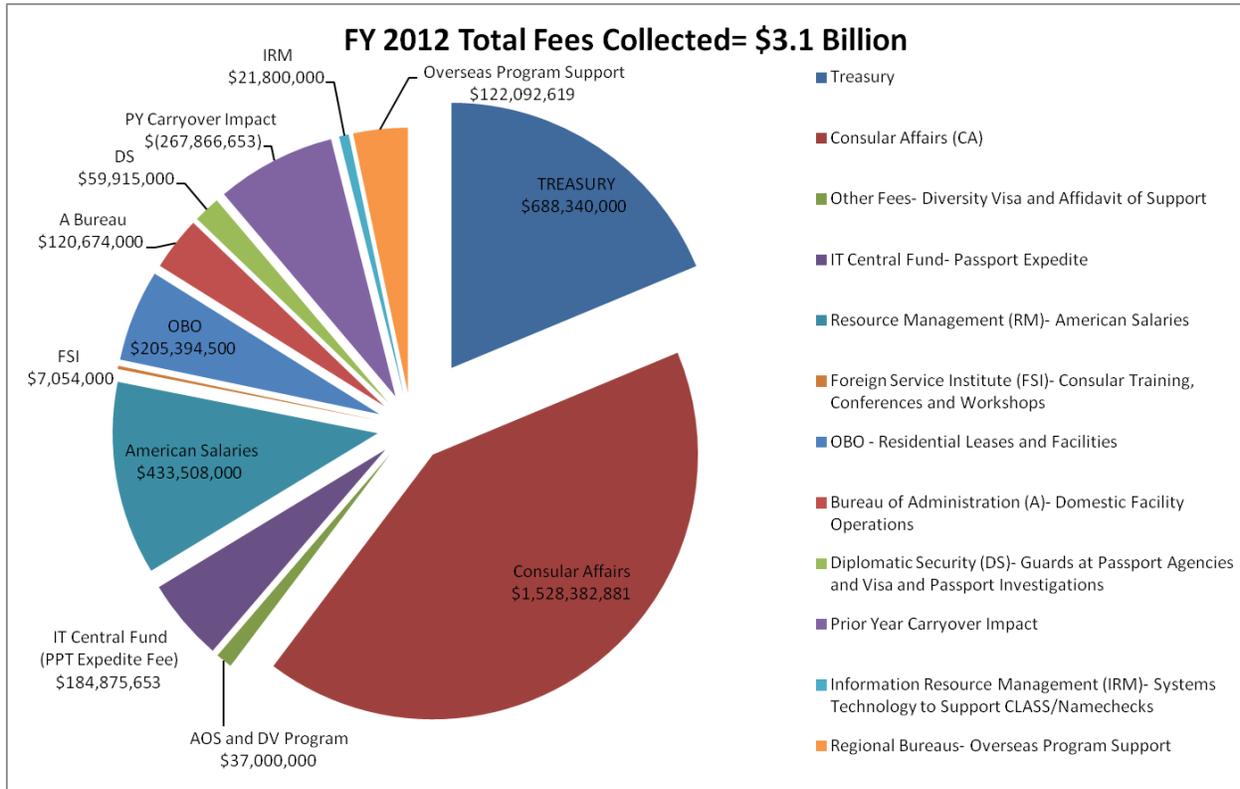
	Name	Arrival Date
Comptroller (Acting)	Rachel M. Arndt	10/12
Division Chiefs:		
Financial Management	Tracy L. Henderson	6/07*
Procurement Policy and Oversight	Barnaby J. Walsh	2/13
Strategic Policy and Planning	Jonathan A. Parks	1/13

*Held position as director of Resource Management Division in CA/EX prior to formation of CA/C.

Abbreviations

BSP	Border Security Program
CA	Bureau of Consular Affairs
CA/C	Bureau of Consular Affairs, Office of the Comptroller
CA/C/FMD	Bureau of Consular Affairs, Office of the Comptroller, Financial Management Division
CA/C/PPOD	Bureau of Consular Affairs, Office of the Comptroller, Procurement Policy and Oversight Division
CA/C/SPPD	Bureau of Consular Affairs, Office of the Comptroller, Strategic Policy and Planning Division
CA/EX	Bureau of Consular Affairs, Office of the Executive Director
COR	Contracting officer's representative
Department	Department of State
FAH	<i>Foreign Affairs Handbook</i>
FAM	<i>Foreign Affairs Manual</i>
GSS	Global Support Strategy
ICASS	International Cooperative Administrative Support Services
OIG	Office of Inspector General

Appendix: FY 2012 Consular Fees Collected and Allocated



(The above pie chart shows the breakdown of the \$3.1 billion total consular fees collected and allocated in FY 2012: Treasury, \$688,340,000; Consular Affairs, \$1,528,382,881; Other Fees- Diversity Visa and Affidavit of Support, \$37,000,000; IT Central Fund-Passport Expedite, \$184,875,653; Resource Management-American Salaries, \$433,508,000; Foreign Service Institute-Consular Training, Conferences, and Workshops, \$7,054,000; OBO-Residential Leases and Facilities, \$205,394,500; Bureau of Administration-Domestic Facility Operations, \$120,674,000; Diplomatic Security-Guards at Passport Agencies and Visa and Passport Investigations, \$59,915,000; Prior Year Carryover Impact, \$267,866,653; Information Resource Management-Systems Technology to Support CLASS/Namechecks, \$21,800,000; Regional Bureaus-Overseas Program Support, \$122,092,619.)



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