

DETAILED SUMMARY OF OTHER AGENCY OVERSIGHT

This appendix provides summaries of the audits listed in Section 6. All information provided is current, as of March 31, 2012.

Defense Contract Audit Agency

The services of the Defense Contract Audit Agency (DCAA) include professional advice to acquisition officials on accounting and financial matters to assist them in the negotiation, award, administration, and settlement of contracts.

In addition to DCAA's involvement in the negotiation and award of contracts, significant resources are also dedicated to overseeing the allowability,

allocability, and reasonableness of incurred and billed costs. Procedures that govern the costs incurred in-country are also tested through reviews of contractor timekeeping, subcontract management, and cash management/disbursement.

Finally, to ensure that adequate internal controls are in place regarding the contractor's policies and procedures, DCAA performs audits associated with critical internal control systems, with an emphasis on estimating, subcontract management, and billing systems.

DCAA plans and performs work on a fiscal year basis. Table G.1 shows both the Iraq-related audits closed during FY 2011 and the audits closed and still open in FY 2012 (as of March 31, 2012).

TABLE G.1
DCAA AUDITS RELATED TO IRAQ FOR FY 2011 AND FY 2012

DESCRIPTION OF AUDIT AREA	FY 2011	FY 2012	
	CLOSED	CLOSED	OPEN
Price Proposals (1)	50	15	3
Other Special Requested Audits (2)	16	8	33
Incurred Cost (3)	41	28	330
Labor Timekeeping (4)	14	5	42
Internal Controls (5)	20	10	79
Pre-award Accounting Survey (6)	12	3	1
Purchase Existence and Consumption (7)	6	2	21
Cost Accounting Standards (8)	37	18	96
Other (9)	11	3	62
Total	207	92	667

Note:

- Price Proposals**—Audits of price proposals submitted by contractors in connection with the award, modification, or repricing of government contracts or subcontracts
- Other Special Requested Audits**—Audit assistance provided in response to special requests from the contracting community based on identified risks
- Incurred Cost**—Audits of costs charged to government contracts to determine whether they are allowable, allocable, and reasonable
- Labor Timekeeping**—Audits to determine if the contractor consistently complies with established timekeeping system policies and procedures for recording labor costs
- Internal Controls**—Audits of contractor internal control systems relating to the accounting and billing of costs under government contracts
- Pre-award Accounting Survey**—Pre-award audits to determine whether a contractor's accounting system is acceptable for segregating and accumulating costs under government contracts
- Purchase Existence and Consumption**—The physical observation of purchased materials and services and related inquiries regarding their documentation and verification of contract charges
- Cost Accounting Standards**—Audits of Contractor Disclosure Statements and compliance with Cost Accounting Standards
- Other**—Significant types of other audit activities including compliance with Truth in Negotiations Act, audits of provisional billing rates, and audits of claims and termination settlement proposals

Department of Defense Office of Inspector General

The Department of Defense (DoD) continues to face many challenges in executing its Overseas Contingency Operations (OCO). The Department of Defense Office of Inspector General (DoD OIG) has identified priorities based on those challenges and high-risks and has responded by expanding coverage of OCO operations and its presence in Southwest Asia. Matching the Department's current Southwest Asia operational tempo and focus, DoD OIG's primary oversight focus is operations in Afghanistan while maintaining the necessary oversight of the reset of equipment redeploying from Iraq. As the Department continues its OCO, such as Operation Enduring Freedom, DoD OIG plans to stay focused on issues important to accomplish the mission and ensure that the Department makes efficient use of its resources to support the warfighter.

The DoD OIG-led Southwest Asia Joint Planning Group coordinates and deconflicts federal and DoD OCO-related oversight activities. The Group held its nineteenth meeting in February 2012.

Completed Oversight Reports

Assessment of DoD Wounded Warrior Matters—Camp Lejeune

(DODIG-2012-067, ISSUED MARCH 30, 2012)

DoD OIG identified several initiatives implemented at both Wounded Warrior Battalion-East and the Naval Hospital Camp Lejeune that DoD OIG believed to be noteworthy practices for supporting the comprehensive care, healing, and transition of Warriors. Further, DoD OIG observed that the Wounded Warrior Battalion-East and Naval Hospital Camp Lejeune management and staff were fully dedicated to providing the best available care and services for helping Warriors heal and transition. DoD OIG also identified a number of significant challenges and recommended

the Wounded Warrior Battalion-East and Naval Hospital Camp Lejeune management address, which if resolved, will increase program effectiveness in providing quality and timely care and services in support of the Warriors healing and transition. Finally, DoD OIG recognized, as a result of this assessment, that it was important to give a voice to the Warriors themselves. DoD OIG suggested that the Wounded Warrior Battalion-East and Naval Hospital Camp Lejeune management and staff consider Warrior comments, as discussed in this report, so they are cognizant of the Warriors' views and concerns and can take appropriate action.

Assessment of the DoD Establishment of the Office of Security Cooperation-Iraq *(DODIG-2012-063, ISSUED MARCH 16, 2012)*

The establishment of the Office of Security Cooperation-Iraq (OSC-I) was on track and on schedule to meet its full operating capability target date of October 1, 2011, and to operate independently as an element of the U.S. Mission to Iraq by January 1, 2012. However, DoD OIG identified key areas that required management attention. DoD OIG determined that U.S. Forces-Iraq Deputy Commanding General for Advising and Training:

- was managing crucial security cooperation activities with incomplete theater and country-level plans and without the required planning capability
- had not clearly communicated information about the OSC-I enduring role regarding security cooperation programs with key Ministry of Defense and Ministry of Interior officials
- had not fully engaged and shared essential transition details with key personnel at prospective outlying OSC-I sites
- had not established detailed internal standard operating procedures for the OSC-I essential to adequately manage its major functions within the framework of the U.S. Mission to Iraq

Ongoing Oversight Activities

Accountability Over Major End Items of Equipment (Class VII) Turned-In at Camp Virginia, Kuwait

(PROJECT NO. D2012-D000JA-0110.000, INITIATED FEBRUARY 27, 2012)

DoD OIG is determining whether DoD has accountability over major end items of equipment (Class VII) turned-in at Camp Virginia, Kuwait. This is the second in a series of audits on Redistribution Property Assistance Team operations in Kuwait (Project No. D2011-D000JA-0281).

DoD Management of the Redistribution Property Assistance Team Operations in Kuwait

(PROJECT NO. D2011-D000JA-0281.000, INITIATED SEPTEMBER 7, 2011)

DoD OIG is determining whether DoD is effectively managing Redistribution Property Assistance Team (RPAT) operations in Kuwait to ensure DoD is prepared to handle the anticipated amount of materiel related to the drawdown from Iraq.

Theater-Provided Equipment Refurbishment Program for Tactical Wheeled Vehicles

(PROJECT NO. D2011-D000JA-0212.000, INITIATED APRIL 25, 2011)

DoD OIG is determining whether DoD is effectively executing the Theater-Provided Equipment Refurbishment Program for tactical wheeled vehicles in Kuwait. Specifically, DoD OIG will determine whether DoD is providing appropriate contract oversight to ensure that tactical wheeled vehicles receive the necessary repairs and maintenance, and repair parts are utilized efficiently.

Contracting for Force Protection for U.S. Installations in Iraq

(PROJECT NO. D2011-D000JB-0098.000, INITIATED DECEMBER 8, 2010)

DoD OIG is determining whether DoD is adequately administering and overseeing private security contracts in Iraq in response to the drawdown of U.S. forces. Specifically, DoD OIG plans to evaluate support requirements in contracts and related security control measures and procedures for access to U.S. military installations in Iraq.

Follow-up of Health Care Provided by Military Treatment Facilities to Contractors in Southwest Asia

(PROJECT NO. D2011-D000LF-0041.000, INITIATED NOVEMBER 2, 2010)

DoD OIG is performing this follow-up audit at the request of the former Commander, U.S. Central Command. DoD OIG is determining whether DoD is taking adequate action in billing contractors for health care provided at military treatment facilities in Southwest Asia as identified in Department of Defense Office of Inspector General Report No. D-2009-078, "Health Care Provided by Military Treatment Facilities to Contractors in Southwest Asia."

Contractor Logistics Support Contract for Stryker Vehicles with General Dynamics Land Systems

(PROJECT NO. D2011-D000CH-0032.000, INITIATED OCTOBER 19, 2010)

DoD OIG is reannouncing the Audit of Material Purchases Made Through Partnership Agreements at Anniston Army Depot (D2010-D000CE-0190.000) to focus the audit on the contractor logistics support contract for Stryker vehicles. The revised audit objective is to evaluate the effectiveness of the contractor logistics support sustainment strategy for Stryker vehicles. Specifically, DoD OIG plans to review contract funding

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procedures, contract type, performance metrics, contractor billings, and controls over government property that is being managed by the contractor.

Controls and Processes Pertaining to the Defense Logistics Agency's Procurement Automated Contract Evaluation System

(D2010-D000LD-0264.000, INITIATED AUGUST 30, 2010)

DoD OIG is determining whether the Defense Logistics Agency (DLA) supply centers awarded contracts through the Procurement Automated Contract Evaluation System (PACE) to suppliers who offered the best value, determine whether DLA has a process to validate that prices were fair and reasonable, and determine whether the supply centers uniformly applied the controls and rules governing PACE awards.

Assessment of DoD Wounded Warrior Matters

(PROJECT NO. D2010-D00SPO-0209.000, INITIATED APRIL 16, 2010)

DoD OIG is performing this assessment in response to a congressional request (Rep. Jones-NC) to conduct a systematic review of DoD Wounded Warrior programs. DoD OIG will conduct this review, with a focus on traumatic brain injury and Post Traumatic Stress Disorder. Additional assessments may be generated as issues arise. Report SPO-2011-004, issued March 17, 2011, addresses wounded warrior matters at Fort Sam Houston.

Department of State Office of Inspector General

Completed Oversight Reports

The Department of State Office of Inspector General (DoS OIG) completed one oversight report related to Iraq for the quarter ending March 31, 2012.

Evaluation of Emergency Action Plans for Embassy Baghdad and Consulates General Basrah and Erbil

(AUD/MERO-12-18, ISSUED JANUARY 2012)

DoS OIG determined that the Embassy Baghdad Emergency Action Plan (EAP) was prepared in compliance with Department of State guidance and that embassy officials had identified the resources required for EAP implementation. In addition, Embassy Baghdad had conducted emergency drills and used the results to improve emergency preparedness and responsiveness. Further findings and the one recommendation contained in the report are considered Sensitive but Unclassified (SBU).

Ongoing Oversight Activities

Evaluation of the Antiterrorism Assistance Program for Countries Under the Bureau of Near Eastern Affairs

(PROJECT NO. NOT REPORTED, INITIATED 3Q/FY 2012)

DoS OIG is evaluating the degree to which the Bureau of Diplomatic Security's (DS) Antiterrorism Assistance (ATA) programs had achieved their intended outcomes and whether DS provided effective oversight of ATA contracts and U.S. government-provided equipment.

Evaluation of PAE Operations and Maintenance Support of Embassy Baghdad

(PROJECT NO. MERO 3012, INITIATED NOVEMBER 23, 2010)

DoS OIG is evaluating the maintenance of administrative records and contract files, monitoring of contractor performance, controlling contractor costs, and accounting for U.S. government-furnished equipment.

Government Accountability Office

The Government Accountability Office (GAO) continues to respond to Congressional interest and mandates to provide oversight of U.S. efforts in Iraq.

Completed Oversight Reports

GAO completed no oversight reports related to Iraq for the quarter ending March 31, 2012.

Ongoing Oversight Activities

Assessment of Joint Report on Contracting in Iraq and Afghanistan

(PROJECT NO. 121049,
DATE INITIATED NOT REPORTED)

GAO plans to:

- assess the data and data sources used by DoD, Department of State (DoS), and U.S. Agency for International Development (USAID) to develop their annual joint report on contracting in Iraq and Afghanistan
- review how DoD, DoS, and USAID are using the data and data sources to manage, oversee, and coordinate contracting in Iraq and Afghanistan
- assess DoD, DoS, and USAID plans for strengthening or improving common databases for tracking statutorily required information on contracts and associated personnel with performance in Iraq and Afghanistan

Religious Minorities in Iraq

(PROJECT NO. 320852, INITIATED JUNE 20, 2011)

GAO's key questions are:

- What projects have DoS and USAID funded in response to Congressional directives in FY 2008 and 2010?
- What steps, if any, did DoS and USAID take to apprise minority groups about the availability of assistance?

- What assurance do DoS and USAID have that the funds benefited minority communities?
- To what extent do U.S. agencies coordinate their approaches to these Iraqi communities?

Transition to a Predominantly Civilian Presence in Iraq

(PROJECT NO. 320843, INITIATED APRIL 22, 2011)

GAO's key questions are:

- What are the estimated costs for transitioning to and maintaining the planned U.S. presence in Iraq?
- To what extent does DoS have the capabilities, resources, and authorities needed to provide security for the planned diplomatic sites and programs?
- How have the estimated costs, scope, objectives, and implementation schedule of DoS's planned police program changed since July 2010?
- How have the estimated costs, scope, objectives, and implementation schedule of the DoS-DoD Office of Security Cooperation-Iraq changed since July 2010?

Intelligence, Surveillance, and Reconnaissance Collection and Tasking Management

(PROJECT NO. 351603, INITIATED MARCH 31, 2011)

GAO's key questions are:

- What are the processes used to apportion intelligence, surveillance, and reconnaissance (ISR) capabilities to support military operations in Afghanistan, Iraq, Yemen, the Horn of Africa, and Libya?
- To what extent do DoD collection management personnel involved in the tasking of ISR capabilities have access to and use timely and complete information to ensure that new collection requests do not duplicate existing requirements and have not been previously satisfied and for tasking ISR collection operations to meet collection requirements?

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- To what extent does DoD develop personnel to conduct ISR collection management?

State Contracting for Conflict Countries

(PROJECT NO. 120976, INITIATED MARCH 31, 2011)

GAO's key questions are:

- What is the extent and nature of DoS's reliance on DoD for acquisition support for Iraq and Afghanistan?
- What factors led to this reliance?
- What efforts are under way to determine whether to continue this reliance?

Army's Equipping Strategies to Reset Equipment Returning from Iraq

(PROJECT NO. 351431, INITIATED JANUARY 7, 2010)

GAO's key questions are:

- To what extent does the Army prioritize equipment for reset?
- To what extent are the annual depot reset requirements consistent with budget requests?

U.S. Army Audit Agency

As of March 31, 2012, the U.S. Army Audit Agency (USAAA) had 30 auditors deployed to Southwest Asia: 27 in Afghanistan and 3 in Kuwait.

Completed Oversight Reports

USAAA completed eight oversight reports related to Iraq for the quarter ending March 31, 2012.

Commander's Emergency Response Fund and I-CERP Closeout—Iraq

(A-2012-0083-MTE, ISSUED APRIL 2, 2012)

USAAA performed this audit at the request of the Commander, U.S. Forces-Iraq (USF-I). USAAA reported that USF-I had sufficient processes in place and operating to account for and close out

Commander's Emergency Response Program (CERP) and Iraq Commander's Emergency Response Program (I-CERP) funding. USF-I satisfied its financial closeout with no outstanding obligations or pending disbursements for current or prior years. USF-I also had sufficient processes in place to close out CERP and I-CERP projects. However, due to the drawdown of U.S. forces, not all processes were operating as intended and the validation of physical project closure documents sometimes was not possible through physical or electronic copies of records. USF-I issued guidance that resulted in improved use of the electronic database of record and coordinated effectively with U.S. divisions to ensure financial closure of all project funding. USF-I returned approximately \$26.1 million in unused I-CERP funds to the government of Iraq during November 2011. The Assistant Secretary of the Army, Financial Management and Comptroller provided the official Army position. The Comptroller concurred with the findings and recommendation in the report and U.S. Army Central's plan to implement the organization of its CERP records.

Micro-Purchases of Field Ordering Officers—Afghanistan

(A-2012-0085-MTE, ISSUED MARCH 30, 2012)

USAAA performed the audit at the request of the former Commander, United States Forces-Afghanistan. Resource management and contracting officials took some actions to monitor micro-purchases by field ordering officers (FOOs). However, these actions were not consistent. Established procedures did not have sufficient controls in place to make sure purchases were justified and items purchased were recorded on accountable records. USAAA found there was unclear guidance about (1) which purchases FOOs were authorized or not authorized to make, (2) consequences for unauthorized or improper actions, (3) supporting documents required to support purchases, (4) and the requirement to add accountable items to the theater property book. Central Command and USFOR-A agreed with

the report. Collectively, the concurrences from the commands represent the official position.

Bulk Fuel Operations in Afghanistan

(A-2012-0081-MTE, ISSUED MARCH 30, 2012)

USAAA verified that Class III bulk fuel points had sufficient controls over storage and distribution operations to ensure accurate accountability for fuel products and prevent the unauthorized diversion of fuel. The audit focused on fuel operations within Afghanistan's Regional Commands East and North. USAAA found the Army had established policies, processes, and procedures to maintain accountability over fuel operations; however, they were not operating as intended. Overall fuel accountability processes included regulations, field manuals, pamphlets, and theater-level policy; tracking and reporting systems; testing procedures for quality; and invoice reconciliation procedures from contractors transporting fuel to Army fuel points. However, USAAA auditors found fuel personnel used a variety of fuel-measuring methods including string, stick, or not at all, and measurement was not done on a daily basis. Auditors also found fuel shipments were not accepted using a DD Form 250, and government documents were not used to reconcile contractor invoices. In addition, fuel meters operating at Army fuel sites (the foundation of fuel accountability operations) had not been calibrated annually (or at all) because a sustainment program had not been established for fuel meters used in Afghanistan. Without appropriate policies, processes, and procedures, the Army's accountability over fuel inventories is at risk, and DoD's strategic fuel planners may be hampered in achieving the Operation Enduring Freedom mission. The Deputy Chief of Staff, G-4, concurred with USAAA's six recommendations and provided OAP.

U.S. Equipment Transfer to Iraq (USETTI) Program—Phase II

(A-2012-0070-MTE, ISSUED MARCH 16, 2012)

USAAA performed the audit at the request of the U.S. Forces-Iraq J4, Director. USAAA reported that commands took action to solidify organizational structures, policies, and individual processes to execute the USETTI Program since the initial review. However, USAAA found there was no comprehensive plan to integrate the various entities and complex processes. Specifically, there was an unclear understanding of organizational roles and responsibilities hindering command's ability to sufficiently execute the USETTI Program and meet program goals. Additionally, various gaps existed in the end-to-end processes as equipment was sourced, screened, dispositioned, transported, maintained, and transferred to the Government of Iraq. Commands had taken corrective actions to issue guidance that established some roles and responsibilities, as well as improve operations in the end-to-end process. However, improvements were still needed to ensure commands sufficiently transferred about 52,600 items of equipment, valued at about \$640 million, to the Government of Iraq. The Deputy Chief of Staff, G-4 provided the official Army position and agreed with command comments and the recommendations in the report.

Commander's Emergency Response Program-Afghanistan

(A-2012-0072-MTE, ISSUED MARCH 16, 2012)

USAAA audited the Commander's Emergency Response Program-Afghanistan (CERP-A) overall program management, project review, and funding requirements processes at the request of the former U.S. Forces Afghanistan Commander. Auditors found that CERP had evolved to include complex, long-term projects that did not provide immediate benefit to the Afghan people. Auditors reviewed 73 projects, each valued at over \$500,000, and found 9 of the projects did not meet authorized CERP criteria. Although the remaining 64 met criteria,

many of them did not meet the intent of providing immediate benefit. Specifically, 29 projects had an average estimated project execution time of over 10 months, excluding the project development. This occurred because: 1) policies and controls for CERP had not evolved along with the program; 2) guidance and criteria for CERP projects were not clearly defined; and 3) there was not a defined, objective, and measurable methodology for evaluating and prioritizing projects. Also, funding levels drove projects rather than approved, necessary CERP projects driving funding levels. During the audit, U.S. Forces-Afghanistan (USFOR-A) took immediate actions to improve both the project review and funding requirements determination processes. After the exit briefing, USFOR-A developed a project review and risk assessment matrix to increase project scrutiny. USFOR-A also deobligated one CERP project valued at about \$32 million. The report contains the official Army position on the recommendations and potential monetary benefits. Command concurred with the recommendations and potential monetary benefits.

Property Accountability of Organizational and Theater-Provided Equipment in Iraq

(A-2012-0077-MTE, ISSUED MARCH 13, 2012)

USAAA performed the audit at the request of the United States Forces-Iraq (USF-I) J4, Director. USAAA reported that commands established sufficient property accountability guidance at USF-I, brigade, and battalion levels to ensure units properly accounted for equipment. Additionally, commands had controls in place, such as performing inventories, to ensure units maintained accountability for property items on the official system of record. However, commands lacked an emphasis on command supply discipline programs. About 99 percent of the property items USAAA inventoried at three units were verified to be on hand. About 95 percent of on-hand property items USAAA inventoried could be traced back to property book system-generated hand receipts. But

units sometimes did not properly process property book transactions in accordance with established policies and procedures. For example, subcomponent lists were not extracted from the property book system to generate shortage annexes, which could present property accountability challenges for units as they redeploy back to CONUS. The Office of the Deputy Chief of Staff, G-4 provided the official Army position, agreeing with command's comments and the actions it has taken.

Bulk Fuel Operations in Iraq

(A-2012-0065-MTE, ISSUED FEBRUARY 17, 2012)

This report is classified SECRET.

Controls over Vendor Payments—Southwest Asia (Phase II)

(A-2012-0049-MTE, ISSUED FEBRUARY 16, 2012)

USAAA performed the audit at the request of the Deputy Assistant Secretary of the Army (Financial Operations). The Army took numerous actions to address the Army's material weakness relating to the lack of proper audit trail for commercial payments as well as to prevent spillage of classified information in a contingency environment. However, in spite of actions taken, auditors found (1) 41 percent of hardcopy voucher packages and paying agent transactions did not have the minimum requirements to make a payment, (2) 81 percent of automated disbursements recorded in the Army's deployed disbursing system had significant inconsistencies and inaccuracies, and (3) USAAA received five separate classified/sensitive documents through unclassified systems during the audit. Consequently, the Army's contingency hardcopy and automated payment trails did not provide reasonable assurance that numerous payments were made properly. Furthermore, the spillage of classified information placed the Army at an increased risk for unauthorized access to classified information. The Assistant Secretary of the Army (Financial Management and Comptroller) provided the official Army position

and agreed to continue to monitor the identified issues and make corrections as deemed necessary.

Ongoing Oversight Activities

Foreign Excess Real Property Program (PROJECT NO. A-2012-MTE-0335.000, INITIATED 2Q/FY 2012)

This audit is being performed in Afghanistan. It will verify that U.S. Forces-Afghanistan had sufficient processes in place to execute the Foreign Excess Real Property Program in accordance with the established policies and transfer authority, including properly documenting equipment transfers to the Government of the Islamic Republic of Afghanistan.

Foreign Excess Personal Property Program (PROJECT NO. A-2012-MTE-0079.000, INITIATED 2Q/FY 2012)

This audit is being performed in Afghanistan. It will verify that U.S. Forces-Afghanistan had sufficient processes in place to execute the Foreign Excess Personal Property Program in accordance with the established policies and transfer authority, including properly documenting equipment transfers to the Government of the Islamic Republic of Afghanistan.

Area Support Group Kuwait S6, Information Technology Contracts (PROJECT NO. A-2012-MTE-0262.000, INITIATED 2Q/FY 2012)

This audit is being performed in Kuwait. It will verify that that the Army properly awarded and administered the ASG-K S6 information technology contracts in accordance with federal, DoD, and Army acquisition regulations.

Found on Installation Property (PROJECT NO. A-2012-MTE-0240.000, INITIATED 2Q/FY 2012)

This audit is being performed in Afghanistan. It will verify that the Army has sufficient processes and procedures in place to properly identify and bring to record found on installation property.

Contract Administration of the National Afghanistan Trucking Contract (PROJECT NO. A-2012-MTE-0071.000, INITIATED 2Q/FY 2012)

This audit is being performed in Afghanistan. It will verify that the National Afghanistan Trucking contract is properly administered and has sufficient internal controls over logistics movement requests, transportation movement releases, contractor performance, and the invoice approval process to ensure the proper shipment of materiel in support of theater operations and to prevent waste and misuse of government resources.

Materiel Management—Retrograde from Southwest Asia (PROJECT NO. A-2012-MTE-0073.000, INITIATED 2Q/FY 2012)

This audit is being performed in the continental United States. It will verify that recently redeployed Army units followed proper materiel return disposition guidance; maintained accountability of organizational material and equipment; and declared excess items for return to the supply system.

National Afghanistan Trucking Performance Metrics (PROJECT NO. A-2012-MTE-0081.000, INITIATED 2Q/FY 2012)

This audit is being performed in Afghanistan. It will verify whether the National Afghanistan Trucking contract achieved intended goals of improved transportation management, reduced

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cost, schedule, and performance risks, reduced asset pilferage, and supported the Afghan people and U.S. campaign objectives.

Army Prepositioned Stock (APS V) Requirements Determination Processes-Kuwait

(PROJECT NO. A-2011-ALL-0094.000, INITIATED 4Q/FY 2011)

This audit is being performed in Kuwait. It will verify that (1) Army's Prepositioned Stock requirements, including those for Class IX items, are supported by strategic plans and consistent with established mission sets and operational projects, (2) Army Prepositioned Stock items, including Class I, Class VII, and Class VIII items, are properly positioned, maintained, redistributed, and accounted for so that readiness goals were achieved, and (3) storage facilities are fully utilized and sufficient to store and protect Army Prepositioned Stocks.

Followup Audit of Management and Visibility of Government Property Provided on the Base Operations Support Contract in Kuwait

(PROJECT NO. A-2012-MTE-0018.000, INITIATED 4Q/FY 2011)

This audit is being performed in Kuwait. It will verify that (1) command implemented the recommendations and that the corrective actions fixed the problem and (2) monetary benefits were realized. For the follow-on KBOSSS contract, it will verify that command established sufficient policies, processes, and procedures to enhance the Army's accountability and visibility of government property.

Contractor Payments in Afghanistan

(PROJECT NO. A-2011-ALL-0539.000, INITIATED 4Q/FY 2011)

This audit is being performed in Afghanistan. It will verify that the Army has sufficient policies

and procedures in place to minimize the use of US currency for contractor payments in Afghanistan.

Financial Transparency in the Afghanistan Transportation Network Contract, Regional Command-South

(PROJECT NO. A-2011-ALL-0534.000, INITIATED 4Q/FY 2011)

This audit is being performed in Afghanistan. It will verify that the Afghanistan Trucking Network contract (1) provided the financial information needed to meet strategic goals of having financial transparency and (2) contained sufficient metrics and controls to meet contract objectives and goals.

Contract Management-Atmospherics Program-Afghanistan

(PROJECT NO. A-2011-ALL-0490.000, INITIATED 4Q/FY 2011)

This audit is being performed in Afghanistan. It will verify that (1) contract requirements were detailed, specific, measureable, and updated annually and (2) contract administrative practices were effective to ensure the U.S. government receives the goods and services it pays for.

Bulk Fuel Accountability in Afghanistan-Phase II

(PROJECT NO. A-2011-ALL-0330.000, INITIATED 4Q/FY 2011)

This audit is being performed in Afghanistan. It will verify that the controls over storage and distribution operations for Class III bulk fuel points in Afghanistan will ensure the accurate accountability of fuel products and prevent the unauthorized diversion of fuel.

Property Accountability-Over Unit Equipment Shipped to Afghanistan-CONUS
(PROJECT NO. A-2011-ALL-0346.000,
INITIATED 2Q/FY 2011)

This audit is being performed in CONUS. It will determine whether the Army has sufficient policies, processes, and procedures to account for unit property including sensitive items and equipment shipments from CONUS to Afghanistan.

Property Accountability-Over Unit Equipment Shipped to Afghanistan-Afghanistan
(PROJECT NO. A-2011-ALL-0344.000,
INITIATED 2Q/FY 2011)

This audit is being performed in Afghanistan. It will determine whether command has sufficient policies, processes, and procedures to (1) account for sensitive item shipments from Afghanistan to the continental United States, (2) ensure visibility and transfer of property during Relieve in Place and Transfer of Authority, and (3) ensure units used Financial Liability Investigation of Property Loss appropriately.

Foreign Excess Personal Property (FEPP) Program-Phase II
(PROJECT NO. A-2011-ALL-0092.000,
INITIATED 2Q/FY 2011)

This audit is being performed in Iraq. It will determine if U.S. Forces-Iraq has sufficient processes in place to execute the Foreign Excess Personal Property Program IAW the established transfer authority, including properly documenting equipment transfers to the GOI.

Management Controls Over Payments for Overseas Contingency Operations Transportation- ARCENT

(PROJECT NO. A-2011-ALL-0087.001,
INITIATED 1Q/FY 2011)

This audit is being performed in Kuwait. It will determine if the Army has sufficient management controls to ensure ARCENT Overseas Contingency Operations funds are appropriately used for transportation requirements.

Management Controls over Department of Defense Activity Address Codes (DODAAC), U.S. Army Central Command

(PROJECT NO. A-2011-ALL-0087.000,
INITIATED 1Q/FY 2011)

This audit is being performed in Kuwait. It will determine if U.S. Army Central Command has sufficient management controls over the assignment and use of DODAAC to ensure appropriate use of Overseas Contingency Operations funds for supplies and equipment, and storage and transportation.

U.S. Agency for International Development Office of Inspector General

Completed Oversight Reports

This quarter, the USAID Office of Inspector General (USAID OIG) issued two performance audits related to Iraq reconstruction.

Audit of USAID/Iraq's Electoral Technical Assistance Program

(E-267-12-003-P, ISSUED MARCH 22, 2012)

The objective was to determine if USAID/Iraq's electoral program was achieving its main goals of providing technical assistance to the Iraq High Electoral Commission (IHEC) to conduct elections and building capacity for a sustainable electoral system that would require minimal international assistance.

The audit determined that both the program and the United Nations Assistance Mission in Iraq (UNAMI) provided technical assistance to IHEC in support of elections conducted in Iraq between January 2005 and September 2011. Specifically, the program and UNAMI:

- provided assistance in establishing the voter registration database and other databases—e.g., to tabulate election results, register political parties, track complaints, and maintain candidate information
- assisted IHEC in conducting two parliamentary elections, two governorate elections, an election of the Kurdish Regional President, and a referendum on the draft constitution
- assisted in opening 19 GEOs (Governorate Electoral Office) in all 18 Iraqi governorates
- provided training to staff members on the electoral process
- held workshops to train GEO staff members in areas such as logistical planning, finance and accounting, resolution of legal disputes, media relations, and information technology

Nevertheless, the extent to which the program played a role in support of elections was unclear because the program did not use a performance management plan to define the assistance to be provided and the results to be achieved or to measure what the program actually achieved. Furthermore, because UNAMI provided substantial support to IHEC in conducting elections and training, it was difficult to determine which organization achieved which results without a

formal performance management system to track activities and monitor results. As for the goal to build capacity for a sustainable electoral system, the technical assistance provided built IHEC's capacity to conduct elections to some extent. However, all parties involved acknowledged that IHEC is not sustainable at this point and needs more assistance before it can stand on its own operationally, administratively, and financially.

Weaknesses in measuring achievements and building capacity stemmed from the following problems:

- IHEC did not have a strategic plan to become sustainable. The organization still lacks a reliable voter registration system, permanent staff, up-to-date computer equipment, plans for training and outreach, financial transparency, and political independence—all prerequisites for sustainability.
- IFES neglected GEOs in developing sustainability. In focusing on IHEC's management of electoral events from headquarters, the International Foundation for Electoral Systems (IFES) did not provide GEOs the type or amount of training they asked for or considered appropriate.
- IFES was not a legally registered nongovernmental organization in Iraq. IFES submitted registration documents to the government after the audit discovered that IFES lacked legal standing.
- Misaligned and continually changing budget categories and frequent changes in budget amounts hindered oversight of the agreement. The mission could not compare planned with actual progress on expected results, or planned with actual costs by result. Similarly, auditors could not make comparisons because IFES did not provide a breakdown of cost categories or additional cost data in time for analysis.

Audit of the Sustainability of USAID/Iraq-Funded Information Technology Systems
(E-267-12-002-P, ISSUED MARCH 21, 2012)

The objective was to determine if USAID/Iraq-funded information technology activities were used as intended. The audit determined that, of the 24 USAID/Iraq-funded information technology systems:

- Ten systems, totaling \$62.1 million, were not completed, not functional when delivered, or not used by the Government of Iraq as intended.
- Three systems, totaling \$1.5 million, were used as intended.
- Two systems, totaling \$2.5 million, were partially used.

For the remaining nine systems, totaling \$7.1 million, the mission was unable to provide documentation that the systems were used or to provide direct contact information for the end users so that auditors could follow up with them. Nevertheless, the director of the USAID/Iraq technical office said that the Government of Iraq likely did not use the systems.

The ten systems not used as planned were not used because the Government of Iraq did not support the systems, the mission's implementing partners did not deliver completed or functional systems, USAID/Iraq stopped funding the systems, and the Government of Iraq was not prepared to use one system.

Ongoing Oversight Activities

Audit of the QED Group's Monitoring and Evaluation of USAID Programs in Iraq
(INITIATED 1Q/FY 2012)

The objective is to determine if the QED Group's monitoring and evaluation of USAID programs in Iraq improved program management and oversight by USAID/Iraq.

Audit of USAID/Iraq's Legislative Strengthening Program
(INITIATED 1Q/FY 2012)

The objective is to determine if the USAID/Iraq's Legislative Strengthening Program improved the sustainability of democratic governance in Iraq.

Defense Criminal Investigative Service

As of September 30, 2011, the Defense Criminal Investigative Service (DCIS) has ended its operations in Iraq and will no longer be reported on in this section. DCIS began deploying special agents to Iraq in May 2003, and at the close of their operations in Iraq, DCIS had deployed a total of 71 personnel to Iraq.

U.S. Department of the Treasury

During this period, the Department of Treasury did not conduct any work related to, in support of, or in Iraq. Additionally, as of September 30, 2009, the Department of Treasury has no plans to conduct any work in the future and will no longer be reported on in this section.

Department of Commerce

During this period, the Department of Commerce did not conduct any work related to, in support of, or in Iraq. Additionally, as of September 30, 2009, the Department of Commerce has no plans to conduct any work in the future and will no longer be reported on in this section. ♦