

DETAILED SUMMARY OF OTHER AGENCY OVERSIGHT

This appendix provides summaries of the audits listed in Section 6. All information provided is current, as of June 30, 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 June 30, 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	18	1
Other Special Requested Audits (2)	16	9	36
Incurred Cost (3)	41	37	318
Labor Timekeeping (4)	14	7	45
Internal Controls (5)	20	14	70
Pre-award Accounting Survey (6)	12	3	1
Purchase Existence and Consumption (7)	6	3	23
Cost Accounting Standards (8)	37	24	95
Other (9)	11	3	67
Total	207	118	656

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 twentieth meeting in June 2012.

Completed Oversight Reports

DoD Needs to Improve the Billing System for Health Care Provided to Contractors at Medical Treatment Facilities in Southwest Asia

(DODIG-2012-106, ISSUED JUNE 27, 2012)

In April 2011, DoD began billing contractors for health care provided in Southwest Asia; however, improvements to the billing system are needed. DoD officials took more than five years from the issuance of DoD guidance that required contractor reimbursement for health care to develop and implement a billing system. This occurred because the working group designated the Defense Finance and Accounting Service to perform billing, but

the group did not assign a functional proponent to oversee the billing system. As a result, DoD did not bill contractors for at least \$8.1 million in health care expenses for FY 2010. This estimate does not include missed opportunities to bill contractors for health care between FY 2006, when DoD issued guidance, and FY 2009. Additionally, DoD components experienced data reliability problems that affected the accuracy of the bills, totaling \$84,116, for contractor health care provided in February 2011. This occurred because the DoD working group decided to use two nonfinancial databases that were not intended for billing and staff at medical treatment facilities in Southwest Asia and contractor personnel made data input errors. As a result, DoD underbilled contractors for health care provided in February 2011 by at least \$128,850. Without improvements to the billing process, it is likely that the Defense Finance and Accounting Service will continue to underbill.

Better Cost-Control Measures Are Needed on the Army's Cost-Reimbursable Services Contract for Logistics Support of Stryker Vehicles

(DODIG-2012-102, ISSUED JUNE 18, 2012)

PMO Stryker and the Army Contracting Command-Warren contracting officer did not implement adequate cost-control procedures on the cost-reimbursable services contract valued at about \$1.5 billion from March 2007 to February 2012 because they did not:

- Adequately define performance-based contract requirements in clear, specific, and objective terms with measurable outcomes.
- Establish the cost-reimbursable contract as one of the basic contract forms: either the completion-form contract in which the contractor is required to deliver a specified, definitive end product or the term-form contract in which the contractor is required to provide a specified level of effort for a stated period of time.

- Establish an effective means to measure operational costs and ensure that the level of operational funding was tied to the actual workload required to sustain the Stryker vehicle, but instead, used estimates made years earlier.

Consequently, the Stryker contractor logistics support contract had no tangible deliverable; neither complied with nor met the intent of DoD performance-based logistics guidance; and did not meet Federal Acquisition Regulation requirements for a cost-reimbursable contract. In addition, the Army had no means to measure the efficiency of the contractor's cost performance or actual cost overruns or underruns in relation to the fixed fee. Also, the sole focus on operational readiness created an incentive for the contractor to spend all available funds on Army inventory, valued by General Dynamics at about \$676.2 million, resulting in little, if any, cost risk for the contractor or incentive to control cost.

The contractor was authorized to spend about \$1.453 billion on the contract, but the DoD OIG calculated the operational support costs for Stryker vehicles at about \$1.117 billion for the first 5 years, resulting in about \$335.9 million used to accumulate inventory that could have been put to better use. As a result of the DoD OIG audit, Program Management Office Stryker identified \$152.4 million in excess inventory that will be used to reduce Program Year 2011 (October 2011 to February 2012) and Program Year 2012 (March 2012 to February 2013) contract requirements.

Controls Governing the Procurement Automated Contract Evaluation System Need Improvement

(DODIG-2012-098, ISSUED JUNE 5, 2012)

This report is For Official Use Only.

Adequate Contract Support and Oversight Needed for the Tactical Wheeled Vehicle Maintenance Mission in Kuwait

(DODIG-2012-099, ISSUED JUNE 1, 2012)

The Army Field Support Battalion-Kuwait's (AFSBn-Kuwait) contractor did not effectively execute maintenance for tactical wheeled vehicles in Kuwait. In response, DoD contracting personnel issued 149 corrective action and contract discrepancy reports, show cause and cure notices, and a partial termination for default to the contractor; however, the contractor's performance still did not meet contract requirements. Army Contracting Command-Rock Island used a contract type and method that did not incentivize the contractor to perform quality work. As a result, warfighters in Southwest Asia and their missions were at risk.

Further, the Army Prepositioned Stock-5 set may not be ready for timely issuance to the U.S. and its Allies in response to contingency operations. Direct theater support equipment was not always ready to meet deadlines in support of contingency operations. In addition, contractor personnel left Army Prepositioned Stock-5 and direct theater support equipment exposed to theft and damage, which jeopardized AFSBn-Kuwait personnel's ability to issue that equipment as required. DoD OIG informed the Army Contracting Command-Rock Island of these problems, the Executive Deputy to the Commanding General, U.S. Army Materiel Command, responded and stated that the Army Contracting Command-Rock Island initiated plans to award a new contract by June 1, 2012. However, on February 29, 2012, the procuring contracting officer issued a modification exercising option year two at \$302 million. The period of performance for the option year was from March 1, 2012, through February 28, 2013.

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AFSBn-Kuwait personnel did not provide appropriate contract oversight to validate that repairs were needed and labor hours billed were accurate. This occurred because U.S. Army Sustainment Command did not sufficiently staff AFSBn-Kuwait with experienced personnel to oversee the contract. Also, the Quality Assurance Maintenance Work Plan did not require AFSBn-Kuwait personnel to approve repairs before the contractor could begin work or review contract labor hours billed. As a result, contractor personnel ordered and installed almost 4 million repair parts and billed \$160.75 million for maintenance labor hours worked and the U.S. Army did not have assurance that those costs were justified.

DoD Oversight of Private Security Contractors in Iraq Was Sufficient, but Contractors May Not Deter Attacks on Office of Security Cooperation-Iraq Enduring Sites (DODIG-2012-075, ISSUED APRIL 16, 2012)
This report is For Official Use Only.

DoD's Management of the Redistribution Property Assistance Team Operations in Kuwait (DODIG-2012-071, ISSUED APRIL 10, 2012)
Camp Virginia Redistribution Property Assistance Team (RPAT) officials effectively managed RPAT operations in Kuwait to accomplish their primary mission of supporting the drawdown of U.S. forces from Iraq. Specifically, Camp Virginia RPAT officials relieved units of accountability for their Theater Provided Equipment, before redeploying to their home stations. During the review, the DoD OIG provided RPAT officials with observations based on concerns with the 4-corners process, "frustrated" equipment, and security controls. Camp Virginia RPAT officials implemented corrective actions throughout the audit.

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).

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 procedures, contract type, performance metrics, contractor billings, and controls over government property that is being managed by the contractor. "Better Cost-Control Measures Are Needed on the Army's Cost-Reimbursable Services Contract for Logistics Support of Stryker Vehicles" (Report No. DODIG-2012-0102, issued June 18, 2012) addressed the need for better cost control measures. Additional reports will be issued.

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 (TBI) and Post Traumatic Stress Disorder (PTSD). Three reports have been issued addressing wounded warrior matters: “Assessment of DoD Wounded Warrior Matters-Fort Sam Houston” (Report No. SPO-2011-004, issued March 17, 2011); “Assessment of DoD Wounded Warrior Matters-Fort Drum” (Report No. SPO-2011-010, issued September 30, 2011); and “Assessment of DoD Wounded Warrior Matters-Camp Lejeune” (Report No. DODIG-2012-067, issued March 30, 2012). Additional assessments may be generated as issues arise.

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 June 30, 2012.

Evaluation of the Antiterrorism Assistance Program for Countries Under the Bureaus of Near Eastern Affairs and South and Central Asian Affairs

(AUD/MERO-12-29, ISSUED APRIL 2012)

DoS OIG determined that the Bureau of Diplomatic Security (DS) could not determine overall Antiterrorism Assistance (ATA) Program effectiveness because it had not developed specific, measurable,

and outcome-oriented program objectives or implemented a mechanism for program evaluation. DS also had not appointed a contracting officer’s representative to provide oversight of contractor-provided ATA training or established a process for determining whether equipment provided under the ATA program was compatible with the partner country’s existing equipment. DoS OIG recommended that DS establish a monitoring and evaluation system with clearly defined goals, objectives, and performance indicators to include sustainability thresholds and timelines to enable DS to monitor when partner countries were capable of “graduating” from the ATA program. DoS OIG also recommended that DS establish a standardized reporting process for in-country oversight of ATA training and a process for determining whether equipment to be provided to a partner country is appropriate.

Ongoing Oversight Activities

Audit of the Implementation of the Baghdad Master Plan

(PROJECT NO. 12AUDXXX, INITIATED JUNE 29, 2012)

DoS OIG is determining whether the infrastructure and construction requirements in the Baghdad Master Plan align with the expected short- and long-term U.S. diplomatic presence in Iraq. This project is ongoing.

Audit of the Worldwide Protective Services Contract—Task Order 005

(PROJECT NO. 12AUD050, INITIATED MARCH 22, 2012)

DoS OIG is determining the effectiveness of the Department of State’s management and oversight of the Worldwide Protective Services (WPS) contract.

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Specifically, DoS OIG plans to determine whether the contractor is performing in accordance with contract terms and conditions, the contractor's work is adequately monitored, and invoice review and approval procedures are in place to ensure accuracy and completeness of costs. This project is ongoing.

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. This project is ongoing.

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 three oversight reports related to Iraq for the quarter ending June 30, 2012.

Army Has Taken Steps to Improve Reset Process, but More Complete Reporting of Equipment and Future Costs Is Needed (GAO-12-133, ISSUED MAY 15, 2012)

In 2007, GAO recommended that the Army act to ensure that its reset priorities address equipment

shortages in the near term to ensure that the needs of deploying units could be met in locations such as Iraq. The Department of Defense (DoD) did not concur and stated that there was no need to reassess its approaches to equipment reset. However, in 2008, the Army issued its Depot Maintenance Enterprise Strategic Plan, noted that filling materiel shortages within warfighting units is a key challenge facing the depot maintenance enterprise, and called for changes in programs and policies to address materiel shortages within warfighting units. GAO has reported that agencies and decision makers need visibility into the accuracy of program execution in order to ensure basic accountability and to anticipate future costs. However, the Army does not include its future reset liability in its reports to Congress, which DoD most recently estimated in 2010 to be \$24 billion. Also, the Army reports to the Congress include the number of items that it has repaired in a given month using broad categories, such as Tactical Wheeled Vehicles, which may obscure progress on equipment planned for reset. For example, GAO's analysis of Army data showed that 4,144 tactical wheeled vehicles were planned for reset in fiscal year 2010, while 3,563 vehicles were executed. According to the Army's current reporting method, this would result in a reported completion rate of 86 percent, but GAO's analysis showed that only approximately 40 percent of the equipment that was reset had been planned and programmed. This reporting method may also restrict visibility over the Army's multiyear reset liability. GAO recommends that the Army revise its monthly congressional reset reports to include its future reset liability and status information on equipment reset according to the initial reset plan by vehicle type.

Foreign Police Assistance: Defined Roles and Improved Information Sharing Could Enhance Interagency Collaboration

(GAO-12-534, ISSUED MAY 9, 2012)

DoD and the Department of State's Bureau of International Narcotics and Law Enforcement Affairs (State/INL) have acknowledged limitations in their procedures to assess and evaluate their foreign police assistance activities and are taking steps to address them. DoD assesses the performance of the police forces it trains and equips in Afghanistan, Iraq, and Pakistan. However, the assessment process for Afghanistan does not provide data on civil policing effectiveness. DoD plans to expand its assessments to obtain data to assess the ability of these forces to conduct civil policing operations. In addition, recognizing that it had conducted only one evaluation of its foreign police assistance activities because it lacked guidelines, State/INL is developing an evaluation plan that is consistent with DoS's February 2012 Evaluation Policy. This evaluation plan includes conducting evaluations for its largest programs in Iraq and Mexico. U.S. agencies have implemented various mechanisms to coordinate their foreign police assistance activities as part of wider foreign assistance activities, such as the National Security Council's (NSC)-led interagency policy committees that coordinate policies at a high level and various working groups at the overseas posts. However, GAO noted some areas for improvement. Specifically, NSC has not defined agencies' roles and responsibilities for assisting foreign police. Further, DoD and DoS do not consistently share and document information. For example, DoD did not provide copies of its capability assessments of the Iraqi police to DoS, which is now responsible for police development in Iraq, because it destroyed the database containing the assessments at the end of its mission to train the police. Further, some U.S. embassies, including the one in Bogotá, Colombia, do not publish agendas or minutes of their proceedings. GAO issued 3 recommendations for Executive Branch action.

Iraq: U.S. Assistance to Iraq's Minority Groups in Response to Congressional Directives

(GAO-12-552SU, ISSUED MAY 3, 2012)

This report is sensitive and is not releasable.

Ongoing Oversight Activities

Recommendations of the Wartime Contracting Commission

(PROJECT NO. 121042, INITIATED 3Q/FY 2012)

No summary available.

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 the departments and agency' plans for strengthening or improving common databases for tracking statutorily required information on contracts and associated personnel with performance in Iraq and Afghanistan.

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?

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- 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?

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?

U.S. Army Audit Agency

As of June 30, 2012, USAAA had 10 auditors deployed to Southwest Asia: 6 in Afghanistan and 4 in Kuwait. By July 31, 2012, USAAA plans to have 33 auditors working in Southwest Asia: 27 in Afghanistan and 6 in Kuwait.

Completed Oversight Reports

USAAA completed 4 oversight reports related to Iraq for the quarter ending June 30, 2012.

Contractor Payments in Afghanistan

(A-2012-0111-MTE, ISSUED JUNE 8, 2012)

This report is For Official Use Only. USAAA performed this audit at the request of the Deputy

Commanding General, Combined Task Force 1, U.S. Forces-Afghanistan. USAAA reported that the Army had sufficient policies and procedures in place to use local currency payments and minimize the use of U.S. currency for contractor payments in Afghanistan and reduce cash on the battlefield. However, some DoD and non-DoD organizations, such as the U.S. Army Corps of Engineers (USACE) and DoS, were exempt from the acquisition policy. As a result, USACE paid about \$557 million to Afghanistan prime contractors in FY 2011. The continued use of U.S. currency payments to host country national-owned companies could potentially increase the Army's risk of the diversion of funds to terrorist activities and hamper U.S. Forces-Afghanistan's contingency operations efforts to rebuild Afghanistan. The Office of the Assistant Secretary of the Army for Financial Management and Comptroller provided the official Army position and agreed with actions taken and planned by command.

Property Accountability in Afghanistan

(A-2012-0097-MTE, ISSUED MAY 1, 2012)

USAAA performed this audit at the request of the Deputy Chief of Staff, G-4, and former Deputy Commander for Support, U.S. Forces-Afghanistan. USAAA verified that the Army had sufficient policies, processes, and procedures for three areas: shipments of units' sensitive items from Afghanistan to the continental United States, property accountability during the Relief in Place/Transfer of Authority (RIP/TOA) process, and Financial Liability Investigations of Property Loss (FLIPL). USAAA reported that although the Army had sufficient policies in place, activities sometimes did not comply with the policies, nor had they established processes and procedures for maintaining proper asset accountability and visibility. Units sometimes shipped sensitive items by ground lines of communication due to the absence of command emphasis and confusion about shipment packing

and inspection responsibilities. Theater-provided equipment and organizational equipment accountability and visibility were impaired by insufficient procedures, training, and experience. The Deputy Chief of Staff, G-4, provided the official Army position and agreed with the recommended actions and command comments.

Management Controls Over Payments for Overseas Contingency Operations—Transportation ARCENT

(A-2012-0092-MTE, ISSUED APRIL 27, 2012)

USAAA performed this audit at the request of ARCENT G-8. USAAA reported that the Army had sufficient controls in place to ensure OCO funds were appropriately used for transportation requirements. However, control weaknesses in the Army's transportation account code (TAC) fund verification procedures allowed Army and other DoD activities to inappropriately use ARCENT's TAC and OCO funds for freight movements. During FY 2009 and FY 2010, ARCENT properly identified and disputed about \$86.3 million (about 10 percent) of \$831.8 million as erroneous OCO transportation charges from Military Surface Deployment and Distribution Command. As a result, the Army needs to mitigate OCO fund usage risk by strengthening TAC and fund verification procedures in the Southwest Asia theater. The Deputy Chief of Staff, G-4, provided the official Army position and concurred with our recommendations and actions taken or planned by the commands.

Foreign Excess Personal Property (FEPP) Program—Phase II

(A-2012-0089-MTE, ISSUED APRIL 16, 2012)

USAAA performed the audit at the request of the U.S. Forces-Iraq, J4, Director. USAAA reported that most FEPP processes operated as designed and were sufficiently executed to meet legislative and DoD policy requirements. They included processes for vetting and declaring excess property, accounting

for property, conducting legal reviews, and reporting and documenting FEPP transfers. However, improvements were needed in FEPP processes for valuing inventories due to inconsistent and inaccurate acquisition costs assigned to property, screening excess equipment against all U.S. requirements prescribed by DoD policy, incorporating the cost-benefit analysis results into the decision making process when approving FEPP transfers, and ensuring adjusted FEPP inventory balances are reapproved and identified equipment is vetted, screened, and provided a legal review. Command's actions as a result of USAAA recommendations further prepared the FEPP Program in Iraq for the surge of base closures and drawdown during 2011. The Commanders, U.S. Forces-Iraq, and Army Central Command agreed with the recommendations. The Office of the Deputy Chief of Staff, G-4 provided the official Army position and agreed with the responses and actions taken by U.S. Forces-Iraq and U.S. Army Central Command.

Ongoing Oversight Activities

Acquisition Cross Servicing Agreements (ACSA)—Afghanistan

(PROJECT NO. A-2012-MTE-0377.000, INITIATED 3Q/FY 2012)

This audit is being performed in Afghanistan. It will verify that the Army had sufficient agreements, processes, and procedures in place to equitably distribute costs and collect funds from Coalition Forces for shared services in Afghanistan.

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 (FERP) Program in accordance

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with the established policies and transfer authority, including properly documenting equipment transfers to the Government of the Islamic Republic of Afghanistan (GIROA).

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 (FEPP) Program in accordance with the established policies and transfer authority, including properly documenting equipment transfers to the Government of the Islamic Republic of Afghanistan (GIROA).

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 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 (NAT) 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 (NAT) contract achieved intended goals of improved transportation management, reduced 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.

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-Afghanistan

(PROJECT NO. A-2011-ALL-0346.000, 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 CONUS, (2) ensure visibility and transfer of property during Relief in Place and Transfer of Authority (RIP/TOA), and (3) ensure units used Financial

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Liability Investigation of Property Loss (FLIPL) appropriately.

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 no performance audits related to Iraq reconstruction. As of June 30, 2012, 31 financial audits by DCAA and public accounting firms are underway, with three additional audits in the planning phase.

Ongoing Oversight Activities

Survey of Security Contractor Services Employed by USAID/Iraq's Contractors and Grantees

(PROJECT NO. EE100212, INITIATED APRIL 22, 2012)

The objectives are:

- To compare and analyze differing security mechanisms employed by implementing partners and their effect on costs and efficiency.
- To follow up on Recommendations 1 and 3 of Report No. E-267-11-001-S, "Survey of Security Incidents Reported by Private Security Contractors of USAID/Iraq's Contractors and Grantees," to ensure that mission-implementing actions have been effective.

Audit of USAID/Iraq's Legislative Strengthening Program

(PROJECT NO. EE100112, INITIATED NOVEMBER 22, 2011)

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

Audit of the QED Group's Monitoring and Evaluation of USAID Programs in Iraq

(PROJECT NO. EE100312, INITIATED OCTOBER 26, 2011)

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 and OFDA.

Defense Criminal Investigative Service

As of September 30, 2011, the Defense Criminal Investigative Service (DCIS) had 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.

Department of the Treasury

This quarter, 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 had no plans to conduct any work in the future and will no longer be reported on in this section.

U.S. Department of Commerce

This quarter, 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 had no plans to conduct any work in the future and will no longer be reported on in this section. ♦