

The seal of the Office of the Special Inspector General for Iraq Reconstruction is a large, circular emblem. It features an eagle with its wings spread, perched on a shield with vertical stripes. The eagle is holding an olive branch in its right talon and arrows in its left. Above the eagle's head is a sunburst with stars. The seal is surrounded by text in English and Arabic. The English text reads "SPECIAL INSPECTOR GENERAL" at the top and "IRAQ RECONSTRUCTION" at the bottom. The Arabic text reads "المفتش العام" at the top and "مكتب إعادة إعمار العراق" at the bottom.

**SIGIR AUDIT STRATEGIC PLAN
2009-2011**

**ISSUED MARCH 2008
UPDATED APRIL 30, 2009**

Office of the Special Inspector General for Iraq Reconstruction

Foreword

I am pleased to present the Office of the Special Inspector General for Iraq Reconstruction's (SIGIR) Strategic Audit Plan for calendar years 2009-2011. This plan updates our earlier 2008-2009 Strategic Audit Plan and highlights our history, authorities, and auditing framework for approaching the vital work of Iraq reconstruction.

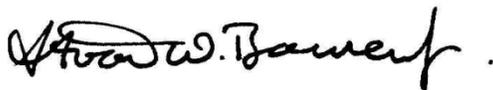
SIGIR provides independent and objective oversight of reconstruction programs and operations in Iraq through comprehensive audits, inspections, and investigations. Along with preventing, detecting, and deterring fraud, waste, and abuse, SIGIR's mission includes providing advice and recommendations on policies to promote economy, efficiency, and effectiveness. From day one, SIGIR has operated as a temporary organization with limited staff in a fast-paced, wartime environment, with many of its staff located in the Iraq Theater of Operations.

SIGIR's mission is derived from Public Law 108-106, Section 3001, as amended. SIGIR is the successor to the Coalition Provisional Authority Office of the Inspector General.

The Fiscal Year 2008 National Defense Authorization Act (Public Law 110-181) has given SIGIR an expanded mandate in terms of funds over which it has audit authority, which has extended the life of SIGIR. The 2008 legislation also assigns SIGIR an important role in planning a series of audits of Federal agency contracts, subcontracts, and task and delivery orders for the performance of security and reconstruction functions in Iraq.

SIGIR comprises a highly professional team of auditors, inspectors, and investigators focused on providing value to the Congress, the Administration, and the American people by leading, planning, coordinating, and executing timely oversight of all funds appropriated for reconstruction in Iraq.

I and my leadership team look forward to undertaking this expanded endeavor and building on the interagency coordination mechanisms we have previously established for coordinating our work.



Stuart W. Bowen, Jr.
Inspector General



David R. Warren
Assistant Inspector General-Audit

Office of the Special Inspector General for Iraq Reconstruction

SIGIR Audit Strategic Plan, Calendar Years 2009-2011

Vision and Mission

To be a dynamic and innovative organization that promotes effective stewardship of U.S. funds appropriated for Iraq's reconstruction

- To provide independent and objective oversight of Iraq reconstruction policies, programs, and operations through comprehensive audits, inspections, and investigations
- To provide information, analysis, and recommendations that promote economy, efficiency, and effectiveness and prevent, detect, and deter fraud, waste, and abuse

Goals & Key Objectives

Improve business practices and accountability in managing contracts and grants for Iraq reconstruction

- Fulfill SIGIR's legislative mandate for a forensic audit report on all amounts appropriated or otherwise made available for Iraq reconstruction
- Fulfill SIGIR's legislative mandate to develop a comprehensive plan for a series of audits of contracts, subcontracts, and task and delivery orders for the performance of security and reconstruction in Iraq, in consultation with other relevant Inspectors General

Strengthen the economy, efficiency, and effectiveness of programs and operations designed to facilitate Iraq reconstruction

- Review the progress, status, relative effectiveness, and continuing challenges related to U.S.-funded efforts to facilitate (1) Iraqi governance, (2) economic development and provision of essential services, and (3) development and sustainment of Iraqi security forces
- Review the economy, efficiency, and effectiveness of individual components of the programs to support governance, economic development and essential services, and Iraq security

Provide for independent and objective leadership and coordination of, and recommendations on, policies designed to address problems and deficiencies in reconstruction and stabilization efforts in Iraq

- Determine what was achieved for what we spent on major reconstruction sectors such as electricity, oil, governance, and defense
- Identify which program approaches and strategies worked well and which ones did not
- Identify the major lessons learned and related best practices that can be applied to help in the management of contingency operations

Office of the Special Inspector General for Iraq Reconstruction

Core Values

Professionalism	Productivity	Perseverance
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A Commitment to Professionalism

We are objective and independent in our pursuit of excellence. We expect demonstrated competence, character, efficiency, and effectiveness from our staff. Moreover, we expect individual performance to be above the standard for our community. Teamwork is essential to our success. We carry out our work with the highest integrity and ethical conduct, always doing the right thing.

A Commitment to Productivity

We are committed to maintaining the highest standards of production, producing both high quality and high quantity of products in recognition of the exigency of the matter over which we have oversight. We are committed to continuously improve and increase the quality of our products.

A Commitment to Perseverance

We are committed to persevere in executing our oversight responsibilities even under the difficult circumstances of operating under wartime conditions because we clearly appreciate the responsibilities of our mission and the expectation of the Congress, the Administration, and the American people to accomplish our mission.

Office of the Special Inspector General for Iraq Reconstruction

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Introduction

This SIGIR Strategic Audit Plan provides the broad framework that guides more detailed planning across each of its product lines. SIGIR has always operated as a temporary organization—first slated to close in December 2004. In all, SIGIR has had its mandate extended or changed five times. SIGIR is currently set to terminate 180 days after all but \$250 million in funds appropriated or otherwise made available for the reconstruction of Iraq is expended. SIGIR’s oversight will continue through 2011 with a phased ramp-down during that time, contingent upon the actual rate of expenditures and the Congress’ need for reconstruction information. SIGIR maintains a closure and transition plan that envisions the handoff of major oversight and responsibility primarily to the Department of State (DoS) Office of the Inspector General with appropriate integration of transition to the Department of Defense (DoD) Inspector General and the United States Agency for International Development (USAID) Inspector General as well. Given SIGIR’s unique operating environment and future uncertainties, this strategic framework is being presented for the 2009-2011 time period.

In completing its work, SIGIR is cognizant of its legislative mandate to provide for the independent and objective leadership and coordination of, and recommendations on, policies designed to (a) promote economy, efficiency, and effectiveness in the administration of Iraq relief and reconstruction programs and operations and (b) prevent and detect waste, fraud, and abuse. Likewise, it is also cognizant of its mandate to coordinate with, and receive the cooperation of, other audit agencies engaged in oversight of Iraq reconstruction activities, particularly the DoS, DoD, and the USAID Inspectors General.

SIGIR currently provides oversight of \$51 billion in Iraq reconstruction funds. The majority of the money is contained in four major funds: the Iraq Relief and Reconstruction Fund (IRRF), the Iraq Security Forces Fund (ISFF), the Commander’s Emergency Response Program (CERP), and the Economic Support Fund (ESF). As of April 2009, approximately \$4.4 billion in these funds remained unobligated.

SIGIR’s oversight is concurrent with the oversight provided by the responsible agencies’ Inspectors General. SIGIR’s unique ability to look across agency boundaries, combined with an unparalleled enduring presence in country (average term of key Iraq-based employees is 3 years), allows us to focus our expertise on the interrelationship of programs that involve multiple agencies. Coordination and deconfliction of audit plans with the respective agencies’ Inspectors General are accomplished through the Iraq Inspectors General Council, the Joint South West Asia Planning Group, and other formal and informal coordination mechanisms.

Additional coordination is accomplished through audit plans that are prepared to meet requirements of Section 842 of Public law 110-181. As discussed later in this strategic plan, the DoD Inspector General has developed a “comprehensive” audit plan for a series of audits of contracts, subcontracts, and task and delivery orders for the logistical support of coalition forces in Iraq and Afghanistan to which SIGIR has

contributed input. SIGIR has developed two comprehensive audit plans for a series of audits of Federal agency contracts, subcontracts, and task and delivery orders for the performance of security and reconstruction functions in Iraq. Published versions of these “842” plans are available at www.sigir.mil.

To provide a more detailed structural framework for its work going forward, SIGIR expects to focus its audit efforts within the context of three broad goals: (1) improving business practices, accountability, and management of contracts and grants associated with Iraq reconstruction; (2) assessing and strengthening the economy, efficiency, and effectiveness of programs and operations designed to facilitate Iraq reconstruction; and (3) providing for independent and objective leadership and coordination of, and recommendations on, policies designed to address problems and deficiencies in reconstruction and stabilization efforts in Iraq.

For the most recent summary of ongoing and planned audits, see the SIGIR Quarterly Reports to Congress posted on our website at www.sigir.mil.

SIGIR Background and Authority

SIGIR is the successor to the Coalition Provisional Authority Office of the Inspector General, first created in November 2003. SIGIR is mandated with oversight responsibility of the use, and potential misuse, of the IRRF and all obligations, expenditures, and revenues associated with reconstruction and rehabilitation activities in Iraq.

As shown in Table 1, SIGIR's oversight is largely concentrated in the approximately \$46 billion included in the appropriations for the four largest funding sources.

Table 1—U.S. Support for Iraq Reconstruction (\$ Billions)

U.S. Fund	Appropriated	Unobligated	Obligated	Expended
IRRF 1	\$2.48	\$0.22	\$2.26	\$2.25
IRRF 2	18.39	0.36	18.03	17.44
IRRF Total	\$20.86	\$0.57	\$20.29	\$19.69
ISFF Fiscal Year (FY) 2005	\$5.49	\$0.12	\$5.37	\$5.33
ISFF FY 2006	3.01	0.18	2.83	2.74
ISFF FY 2007	5.54	0.05	5.49	3.93
ISFF FY 2008	3.00	1.82	1.18	0.51
ISFF FY 2009 Bridge	1.00	1.00	-	-
ISFF Total	\$18.04	\$3.17	\$14.87	\$12.52
ESF FY 2003	\$0.05	-	\$ 0.05	\$ 0.05
ESF FY 2006	1.55	\$0.17	1.38	1.26
ESF FY 2007	1.60	0.17	1.43	1.07
ESF FY 2008	0.44	0.07	0.37	0.06
ESF FY 2009 Bridge	0.10	-	0.10	0.00
ESF Total	\$3.74	\$0.42	\$3.32	\$2.45
CERP FY 2004	\$0.14	-	\$0.14	\$0.13
CERP FY 2005	0.72	\$0.03	0.69	0.67
CERP FY 2006	0.70	0.03	0.67	0.64
CERP FY 2007	0.75	0.01	0.74	0.71
CERP FY 2008	1.00	0.01	0.99	0.88
CERP FY 2009 Bridge	0.29	0.12	0.16	0.07
CERP Total	\$3.58	\$0.19	\$3.39	\$3.09
Other Funding	\$4.77	\$4.49	\$0.28	\$0.13
Total U.S. Appropriated	\$51.00	\$8.84	\$42.16	\$37.89

Source: SIGIR Quarterly Report to the Congress, April 30, 2009.

The authorities and responsibilities provided to SIGIR in law help to ensure that it has independence, both in fact and appearance, so that SIGIR's objectivity is not impaired. This includes the statutory independence provided under the Inspectors General Act of 1978, which is intended to ensure the integrity and objectivity of Inspectors General activities.

In addition, [P.L. 108-106](#), as amended, has two specific requirements related to independence:

- No officer of the Department of Defense, the Department of State, or the United States Agency for International Development shall prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation related to the IRRF, or from issuing any subpoena during the course of any such audit or investigation.
- Whenever information or assistance requested by the Inspector General is, in the judgment of the Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the Secretary of State or the Secretary of Defense, as appropriate, and to the appropriate committees of Congress, without delay.

Organizational Alignment and Reporting Responsibilities

SIGIR reports administratively to the Secretaries of State and Defense. This dual-reporting arrangement recognizes the joint responsibilities of these two cabinet departments for Iraq reconstruction. In addition, SIGIR provides reports directly to the Congress as provided in the office's founding statutes (Public Law 108-106 and the Inspector General Act of 1978). By reporting directly to the Secretaries of State and Defense, SIGIR is able to have independent oversight of the major government organizations involved in Iraq reconstruction. It is responsible for:

- providing for the independent and objective execution and supervision of audits, inspections, and investigations
- providing quarterly reports directly to the U.S. Congress
- providing objective leadership and coordination of, and recommendations on, policies designed to promote economy, efficiency, and effectiveness in the management of Iraq reconstruction programs and operations
- preventing and detecting fraud, waste, and abuse
- reviewing existing and proposed legislation and regulations when requested and making appropriate recommendations
- maintaining effective working relationships with other governmental agencies and nongovernmental organizations regarding oversight in Iraq
- informing the Secretaries of State and Defense and the Congress of significant problems, abuses, and deficiencies in operations and tracking the progress of corrective actions
- reporting violations of law to the U.S. Attorney General and reporting to the Congress on the prosecutions and convictions that have resulted from referrals

Given SIGIR's dual reporting responsibilities and the multi-agency nature of Iraq reconstruction efforts, SIGIR continues to consult and coordinate with other audit organizations, including the U.S. Government Accountability Office; the Office of the Inspector General, Department of State; the Office of the Inspector General, Department of Defense; the Office of the Army Inspector General; the Office of the Inspector General, U.S. Agency for International Development; the Defense Contract Audit Agency; the U.S. Army Audit Agency; the Naval Audit Service; and the Air Force Audit Agency. Representatives of these entities meet quarterly on the Iraq Inspectors General Council to formally coordinate audit activities to prevent duplication of effort and to share information gained from ongoing audit activity. Additionally, SIGIR provides advice and support to the Special Inspector General for Afghanistan Reconstruction (SIGAR) and the Special Inspector General for the Troubled Asset Relief Program.

Audit Focus

Generally Accepted Government Auditing Standards identify three types of audit engagements: (a) financial audits, (b) attestation engagements, and (c) performance audits. Nearly all of SIGIR's audits are best characterized as performance audits, which typically provide an independent assessment of the performance and management of a program or contract against objective criteria. Just a few of SIGIR's engagements may be characterized as involving attestations, which typically focused on verifying a narrow aspect of a programmatic or financial issue such as a "cash count" and related internal controls. SIGIR's performance audits often include aspects of financial management issues. As a new initiative launched during calendar year 2008, SIGIR developed plans to perform forensic reviews of financial data related to Iraq reconstruction activities.

SIGIR's forensic auditing initiatives of Iraq reconstruction financial data have the following broad objectives:

- assess the accuracy of reported financial data
- assess the adequacy of controls in place to detect improper payments
- identify leads on possible criminal activity for the SIGIR investigation unit to pursue

SIGIR anticipates that this work will result in external reporting related to the accuracy of financial data reporting and the adequacy of controls over financial payments.

SIGIR's performance audits generally assess the economy, efficiency, effectiveness, and results of Iraq reconstruction programs and operations. Audit objectives may include assessing:

- the adequacy of management oversight and controls to better ensure desired program outcomes and mitigate the potential for fraud, waste, and abuse
- whether the audited entity is following sound procurement practices
- the relative cost and benefits or cost-effectiveness of programs
- the existence, reliability, validity, or relevance of financial information related to the performance of a program
- the validity and reliability of performance measures concerning program effectiveness and results or economy and efficiency
- whether a program produced intended results or produced effects that were not intended by the program's objectives
- the extent to which legislative, regulatory, or organizational goals and objectives are being achieved

- the extent to which programs duplicate, overlap, or conflict with other related programs and the adequacy of program coordination where such instances occur

Audit Goals, Objectives, and Outcome Measures

SIGIR's audit efforts for 2010-2011 will focus on three broad goals: (1) improving business practices and accountability in managing contracts and grants associated with Iraq reconstruction; (2) assessing and strengthening the economy, efficiency, and effectiveness of programs and operations designed to facilitate Iraq reconstruction; and (3) providing for independent and objective leadership and coordination of, and recommendations on, policies designed to address problems and deficiencies in reconstruction and stabilization efforts in Iraq.

To accomplish these objectives, SIGIR plans to allocate its resources across the goals based on its mandates and the amount remaining in each reconstruction fund. Generally speaking SIGIR will allocate 40% of its resources towards auditing ISFF contracts and programs, 20% of its resources towards auditing IRRF contracts and programs, 20% towards auditing the ESF and the CERP, and 20% to address requirements for a forensic audit. This notional resource allocation also includes resources to meet requirements for auditing private security contractors. However, SIGIR may focus its resources more intensely on any one area at any given time based on internal or external interests or concerns.

Goal 1: Improving Business Practices and Accountability in Managing Contracts and Grants Designed to Facilitate Iraq Reconstruction

SIGIR is legislatively mandated, prior to its termination, to prepare a final forensic audit report on all amounts appropriated or otherwise made available for the reconstruction of Iraq.¹ In preparation for fulfilling this requirement, SIGIR is conducting a series of focused contract audits of large Iraq reconstruction contracts. The objective of these reviews is to identify contract cost, outcome, and management oversight with an emphasis on vulnerabilities to fraud, waste, and abuse. As of April 30, 2009, SIGIR had completed 11 focused contract audits of major reconstruction contracts. The total contract value of these 11 audits is almost \$5 billion. Most of the funds came from the IRRF (almost \$4.4 billion) and the rest came from the ISFF (more than \$0.6 billion).

SIGIR has also established a forensic auditing capability within its audit directorate. The forensic auditing group works collaboratively with the SIGIR investigation staff by forming "cells" that investigate leads on possible criminal activity. The objective is to identify instances of fraud or abuse that may lead to civil or criminal prosecution. At the same time, the work may lead to external reporting to improve program financial and management controls.

In addition, the SIGIR Forensic Cell has developed a plan to do forensic analyses of financial data related to Iraq reconstruction activities. The primary objective of the

¹ Note: The original legislative mandate for a forensic audit stipulated its application to the Iraq Relief and Reconstruction Fund. Subsequent legislative amendments have modified that language to include "all amounts appropriated or otherwise made available for the reconstruction of Iraq."

SIGIR Forensic Cell is to identify indicators of fraud, waste, and abuse and produce leads for investigation. The Cell is working collaboratively with SIGIR- Investigations in the areas noted below. SIGIR is required to prepare a final forensic audit report on all funds made available for Iraq relief and reconstruction (IRRF/ISFF/CERP/ESF). To prepare for the report, SIGIR will examine:

- All transactions that occurred during fiscal years 2003 through 2008
- Anomalies such as double billing, inflated/unusual costs, abrupt changes in pricing, costs charged to the wrong project, questionable cash transactions, multiple contracts awarded to incompetent firms that resulted in terminations for default.

As a first step, SIGIR is reviewing DoD, DoS, and USAID transaction data related to Iraq reconstruction for fiscal years 2003-2008. SIGIR will obtain data from various departments and will employ data mining techniques in an effort to identify suspicious or questionable activity. The effort will be supported by a private sector consulting firm. If questionable activity is identified, the information will be provided to the SIGIR Investigations Directorate for review and appropriate action. SIGIR will conduct similar analyses of DoS and USAID reconstruction financial data. During the timeframe of this plan, SIGIR will shift resources from its performance audits to the forensic reviews throughout fiscal year 2010.

SIGIR will continue its focused contract reviews of all major funds. Audit coverage in this area has been expanded to include ISFF, CERP, and ESF and include nonconstruction as well as construction contracts. As shown in Table 1, approximately \$0.6 billion in IRRF remains to be obligated. Consequently, SIGIR's future focused financial reviews will increasingly target the ISFF, the ESF, and the CERP.

In response to Section 842 requirements of the 2008 National Defense Authorization Act, SIGIR developed a plan for audits of private security contractors in consultation with other audit agencies. This plan will be updated periodically. The plan was provided to the Congress on October 17, 2008. Since the plan was issued, SIGIR has issued four reports on the use of private security contractors in Iraq during 2003-2009. SIGIR also developed a plan for specific reconstruction-related audits, which was provided to the Senate Armed Services Committee on February 5, 2009. In addition, the DoD's publicly reported Joint South West Asia Plan includes a list of all SIGIR audits planned for the qualified time period.² SIGIR will play a significant leadership role in planning and coordinating audits with the other responsible Inspectors General, including those in the Departments of State and Defense and the Agency for International Development.

SIGIR's objectives for this goal are:

- Fulfill SIGIR's legislative mandate for a forensic audit report on all amounts appropriated or otherwise made available for Iraq reconstruction

² These plans are available on SIGIR's website at <http://www.sigir.mil/audits/auditPlan.aspx>.

- Fulfill SIGIR’s legislative mandate to execute a comprehensive plan for a series of audits of contracts, subcontracts, and task and delivery orders for the performance of security and reconstruction in Iraq, in consultation with other relevant Inspectors General, with special emphasis on a plan for audits of private security contractors.
- Influence actions that improve operational efficiency and accountability, resolve public concerns and management challenges, and achieve monetary savings
- Improve operational integrity and reduce risk of loss by detecting and/or preventing vulnerabilities to fraud, waste, and abuse
- Develop evidence and information to support SIGIR’s investigations directorate

Outcome measures for this goal are to:

- maintain a current and comprehensive plan for audits of security contractors and for audits of the reconstruction program³
- improve management policies, processes, practices, and controls leading to greater measures of economy, efficiency, and effectiveness
- identify best practices and lessons learned for future use and implement in the near-term where feasible
- question costs, savings, and recoveries
- refer potential fraud or other unlawful activities for further investigation involving
- improve the accuracy of financial reporting for Iraq reconstruction activities
- improve the financial controls over payments made from Iraq reconstruction funds

<p>Goal 2: Assessing and Strengthening the Economy, Efficiency, and Effectiveness of Programs and Operations Designed to Facilitate Iraq Reconstruction</p>

After more than 6 years in Iraq, and during this period of transition and transfer, it is understandable that questions will be raised on progress made in accomplishing U.S. goals for a stable Iraq such as self-governance, economic development, and security. Therefore, SIGIR will also devote resources to increase audits aimed at assessing individual reconstruction program results. This work will include assessing overall program areas as well as specific program components.

To support its plan to evaluate the overall progress being made in accomplishing U.S. goals from a programmatic standpoint, SIGIR will organize work toward this goal under broad areas of Iraq reconstruction emphasis, including: (1) governance, (2) economic development and essential services, (3) Iraq security, and (4) crosscutting and other issues.

³ As noted earlier, this plan was completed and made available to congressional committees in October 2008; a copy of the plan is publicly available on SIGIR’s web site at <http://www.sigir.mil/audits/auditPlan.aspx>.

Within these areas, we will examine individual programs and activities related to such efforts as democracy building in the governance sector; private sector development, electricity generating capacity, or water treatment services in the economic development and essential services areas;⁴ or development of logistics support capabilities in the Iraq security area. We will give emphasis to examining the performance and results of individual programs as well as coordination efforts among programs having similar objectives but funded from multiple sources or managed on an interagency basis. Also, given the anticipated changes in the reconstruction program brought about by drawing down U.S. military forces and the overall maturity of the program, SIGIR will also conduct transition work such as examinations of government-furnished equipment drawdowns, transitional record management, and handoff procedures to the Government of Iraq.

SIGIR's objectives for this goal are:

- Review the progress, status, relative effectiveness, and continuing challenges, if any, related to U.S.-funded efforts to facilitate (1) Iraqi governance, (2) economic development and provision of essential services, and (3) development and sustainment of Iraqi security forces
- Review ways to improve the economy, efficiency, and effectiveness of individual components of the programs to support governance, economic development, and essential services, and Iraq security
- Identify actions to improve program planning, coordination, accountability and ensure effective use of resources
- Improve operational integrity and reduce risk of loss by detecting and/or preventing vulnerabilities to fraud, waste, and abuse
- Review the process in place to ensure that the U.S. investment in reconstruction is appropriately sustained and effectively used

Outcome measures for this goal are to:

- strengthen metrics used for assessing program progress
- improve program planning, coordination, management, and results
- increase visibility on issues needing sustained attention and strengthen emphasis on action plans for addressing them
- increase multi-agency coordination and cooperation in planning and executing programs having similar objectives
- enhance basis for future decision-making

⁴ Within the area of essential services, we will also include some audit work in the area of humanitarian aid (within the framework of Iraq relief and reconstruction).

Goal 3: Providing for Independent and Objective Leadership and Coordination of, and Recommendations and Lessons Learned On, Policies Designed to Address Problems and Deficiencies in Reconstruction and Stabilization Efforts in Iraq

As Iraq reconstruction has progressed, many lessons have been drawn from SIGIR's extensive body of audits and reports. SIGIR has noted that its recommendations and lessons learned can be used to better inform policymakers in contingency operations. SIGIR will work to continue to identify, in the course of its audits, lessons learned that can be used to help the U.S. government improve its overall response to and administration of reconstruction and stabilization efforts.

SIGIR plans to undertake a series of audits that will examine whether the lessons learned in Iraq have been applied to programs initiated in fiscal year 2009 and beyond to see how well the administering entities have done at implementing recommendations or innovating new approaches to address long-standing and clearly identified challenges.

SIGIR will also continue to produce "Capping Reports" that will distill the targeted findings of individual audits to produce larger, strategic views of the entire Iraq reconstruction effort.

As the Iraq effort winds down, SIGIR will continue to refine its transition plans to ensure smooth and seamless oversight coverage of Iraq reconstruction programs and projects.

SIGIR's objectives for this goal are the following:

Review each of the major reconstruction activity programs with the specific objectives of (1) determining what was achieved for what we spent, (2) which program approaches and strategies worked well and which did not, and (3) what major lessons learned can be applied to the management of other construction contingency operations.

Outcome measures for this goal are to:

- provide an aggregate-level accounting of results in such major areas as the electricity, health, education, oil, governance and defense sectors
- provide best practices from lessons learned that are useful to the Congress and the Executive Branch in the decision-making and implementation phases of contingency operations
- assist the Congress and the executive branch, as requested, in operationalizing best practices by providing testimony and by commenting on draft legislation and draft regulations, directives, or other policy-related documents

External Factors That Could Affect the Achievement of Our Goals

Several external factors could affect the achievement of our performance goals. These include the temporary nature of the SIGIR organization, legislatively mandated audit requirements coupled with resource constraints as well as uncertainties associated with our operating and security environment.

As noted earlier, SIGIR has always operated as a temporary organization. However, its tenure remains conditions-based. Current legislation requires SIGIR to cease operations 180 days after all but \$250 million in funds appropriated or otherwise made available for the reconstruction of Iraq are expended. While this suggests that SIGIR could be in operation for several more years, changing conditions could affect the level of operations required as well as staffing and funding availability.

As with many organizations SIGIR has been subject over time to increasing requirements for audits stipulated in legislation, such as the requirement for a forensic audit and the requirements in the 2008 legislation to develop a comprehensive plan for a series of contract audits related to Iraq reconstruction and security. This will necessitate a careful prioritization of audits, in consultation with our congressional clients, to provide appropriate levels of coverage in line with congressional mandates and fiscal, staffing, and other operational constraints related to our operating environment.

The nature of SIGIR's work is that we operate in a fast-paced wartime environment in Iraq, which carries with it constraints on travel in theater, risks to health and safety, and continuing uncertainties regarding changes in the security environment and levels of U.S. operations in the future. A unique aspect of SIGIR is that a large portion of SIGIR's personnel are stationed in and work out of Baghdad. Five SIGIR personnel have been wounded in Iraq and one has been killed, which attests to the challenges of operating in that environment. SIGIR minimizes risk by careful assessments of travel requirements, limiting them where necessary, and performing audit work from its Arlington headquarters when practical to do so. Nevertheless, this will continue to be an issue that will require periodic reassessment, often with decisions made by others outside of our control and affecting our mobility in theater. For example, our plans must be guided by DoD and Embassy decisions regarding whether it is safe to travel to certain locations and the availability of security and appropriate means of transportation.