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United States Department of State
and the Broadcasting Board of Governors
Office of Inspector General

Report of Inspection

Broadcasting Board of Governors

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PURPOSE, SCOPE AND METHODOLOGY OF THE INSPECTION

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

PURPOSE:

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

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

METHODOLOGY:

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

TABLE OF CONTENTS

KEY JUDGMENTS	1
CONTEXT	3
EXECUTIVE DIRECTION	5
BOARD STAFF	9
Executive Director Authorities	10
Human Resources Planning	11
HIRING FREEZE	13
RELATIONS WITH THE GRANTEES	15
Board Staff – Grantee Communications and Information Sharing	15
Grantee Meetings with their Boards of Directors	16
BROADCASTING BOARD OF GOVERNORS’ BUDGET PROCESS	17
STRATEGIC PLANNING SUPPORT	19
Strategic Planning, Language Service Review, and Budget Process	20
Language Service Review Committee	21
Transparency and Congressional Input	22
FORMAL RECOMMENDATIONS	23
INFORMAL RECOMMENDATIONS	25
PRINCIPAL OFFICIALS	27
ABBREVIATIONS	29
APPENDIX A – ORGANIZATIONAL CHART	31

KEY JUDGMENTS

- The Broadcasting Board of Governors (BBG)¹ is serving U.S. foreign policy interests well. Board functions under its new, proactive chairman are cordial and focused on its mandate. The Board is served by an energetic, dedicated group of governors who contribute more than their part-time status suggests.
- The organization of the BBG's governing board is unique within the federal government. Its Congressionally mandated collective chief executive officer (CEO) structure and nondelegable supervisory authorities require the support of a robust professional staff to carry out its daily operations.
- The Board staff is highly competent and enthusiastic. Rationalization of its functions would promote more effective use of their talents in BBG strategic planning and carrying out Board supervision on its behalf.
- The Board is seeking to make its work more transparent to the entities it supervises, but despite progress, more needs to be done, particularly during the budget exercise and the Language Service Review.

The inspection took place in Washington, DC, between September 3 and December 12, 2007. Ambassador John Monjo (team leader), Tom Carmichael (deputy team leader), James Dandridge, Martha Goode, Siobhan Hulihan, and Marjorie Lynch conducted the inspection.

¹“The Broadcasting Board of Governors” is both the official name of the agency and its oversight board. The report refers to the oversight board as the “Board.”

CONTEXT

Congress created the BBG as a broadcasting oversight board within the U.S. Information Agency through the International Broadcasting Act of 1994 (P.L. 103-236), then made it an autonomous federal agency encompassing all government-sponsored, nonmilitary, international broadcasting through the Foreign Affairs Reform and Restructuring Act of 1998 (P.L. 105-277). The BBG's Congressional mandate is to "supervise" and is not limited to providing general oversight or guidance.

The Board supervises broadcasting and support entities with varied legal and organizational frameworks. The Voice of America (VOA), the Office of Cuba Broadcasting, and the International Broadcasting Bureau (IBB) are federal entities. Radio Free Europe/Radio Liberty, Radio Free Asia, and the Middle East Broadcasting Networks are Congressionally created, BBG-funded, nonprofit organizations that resemble private corporations. (An organizational chart is located in Appendix A.) In this report and elsewhere, these nonprofit organizations are referred to as grantees, but Congress gave the Board supervisory authorities over these entities that extend beyond those that other U.S. government agencies generally execute over their grantees.

The Board is a bipartisan body of eight part-time special government employees² (four Republicans and four Democrats) and the Secretary of State (*ex officio*) that serves as a collective CEO. Aside from the monthly meetings, the Board exercises day-to-day supervision through the Board staff and the IBB, which has control over the government entities and provides some services for all entities. The BBG governors also make up committees addressing issues related to individual broadcast entities or BBG-wide functional areas. The Board also composes the boards of directors for each of the grantee entities.

²According to 22 USC § 6203, the President selects BBG governors from among "Americans distinguished in the fields of mass communications, print, broadcast media, or foreign affairs" who are not regular full-time U.S. government employees.

These BBG entities broadcast to more than 155 million people in 60 languages by radio and increasingly by television, Internet, and other technologies on an annual budget of \$679 million. Approximate staffing sizes for these entities vary from VOA's 1,350 employees to the Office of Cuba Broadcasting's 170 employees. BBG-wide totals are near 3,450 employees.³

In office since June 2007, the new Chairman of the Board, along with his fellow governors, considers the BBG to be in a "transition phase" and is focusing on improving within the limits of the existing legislation the Board's roles and functions in its supervision of its various entities. This report presents recommendations for changes permissible within those same parameters.

³Figures are for FY 2007 drawn from the Broadcasting Board of Governors FY 2008 Budget Request.

EXECUTIVE DIRECTION

The Board, in its present structure, has successfully responded to U.S. foreign policy and budget needs, including shifting resources among language services, the rapid development of the Middle East Broadcasting Networks, the move of Radio Free Europe/Radio Liberty headquarters from Munich to Prague, and development of Urdu programming into Pakistan. The Board also has moved BBG from a shortwave radio broadcaster to an increasingly multi-media news delivery system. Recent disagreements and alleged misconduct involving a Board member and well-publicized programming missteps have drawn media and other attention from these broader, solid BBG accomplishments under its present structure.

Congress mandated the Board's structure, and it is outside the scope of this report, but there are differing opinions on whether the part-time, collective CEO structure, unique to the federal government, is optimum. Nevertheless, public service on the Board has attracted, among the present governors, dedicated, energetic, and highly qualified public servants who provide valuable private sector expertise. The governors make their contributions at the personal sacrifice of time and energy beyond what their part-time status implies and with compensation much less than that which comparable time spent at their private pursuits could provide. Several Board governors themselves desire change within the Board and feel that the newly appointed Chairman represents a chance for a more congenial and productive Board.

The new Chairman is establishing credentials as an activist who is leading the Board to progress on several announced goals. At his initial BBG town hall meeting, he said that one of his first goals was to get the Board to work with greater congeniality and efficiency. He and other governors have said they want to develop greater communication and transparency within BBG concerning the Board's decisions and processes, create a positive public profile, enhance communications with Congress, and strengthen cooperation with other government entities. The Board is also seeking to rationalize the committee structure and strengthen the Board staff. They have made progress on these goals – several of which parallel recommendations in this report.

The new Chairman has had some success in creating an atmosphere of openness and collegiality within the two-party Board. Board governors and others repeatedly underlined that the new Chairman is successfully refocusing Board energies from internal disputes to its mandated functions. An OIG team representative attended monthly Board meetings and found them well-run, substantive, congenial, and with no apparent political divides.

Much needs to be done to improve communications between the Board and the various levels of the federal and grantee broadcasting and support entities. Observers have, for years, criticized the lack of transparency in the Board's working. Progress in this area would improve morale. This report addresses issues of transparency in the sections on the budget and Language Service Review processes – two specific sources of BBG-wide complaints.

The Board's interest in increased transparency within the agency has been reflected in its hiring of an outside consultant to develop a public affairs and internal communications strategy. As part of that current reach for greater openness, the Chairman and the Board have engaged in a series of town hall meetings at the broadcasting entities, which have been generally well received. The governors also have begun "drop-in" staff visits at the working level to raise the Board's personal profile and BBG personnel morale. The strategy seeks to enhance sharing information among the entities and to build a stronger BBG identity among all its entities, including the grantees.

The Board has been considering an outreach program to relevant institutions and the broader American public to let them know about BBG broadcasting and its importance to U.S. government foreign policy objectives. This initiative could help address BBG's long-term personnel recruitment efforts. A new communications committee met for the first time during the inspection to consider this and other initiatives. This strategic approach with its human resources implications is a positive step.

The new Board Chairman has been proactive in his outreach and consultations with Congress. He and other governors have been appearing before Congressional members to review the Board's perspectives on individual language services and broader BBG-wide broadcast issues.

The BBG's new 2008-2013 Strategic Plan tracks well with the U.S. National Strategy for Public Diplomacy and Strategic Communication. Both documents underline the need for tailoring communications programs with the most appropriate and effective media available for specific audiences, modernizing U.S. government technical capacity, sharing intergovernmental audience analysis information, and expanding outreach to audiences in nondemocratic, information-starved, and Muslim communities. These priorities are reflected in the active cooperation of the Board with other U.S. government international communications agencies.

The value of the Secretary of State's choice of her Under Secretary of Public Diplomacy and Public Affairs to serve as her representative to the Board is clear. She has been uniquely effective in this role, setting the standard for Board participation, and winning praise from the other governors for her and her staff. Her attention to this responsibility has paid off handsomely for U.S. international broadcasting.

The Under Secretary's and her staff's dedication has maximized the Board's communication and cooperation with various U.S. public diplomacy and strategic communications players. She has taken great advantage of her central position within the U.S. government strategic communications community to help keep BBG's activities synchronized with broader U.S. government strategic activities. The Under Secretary's chairmanship of the Strategic Communications Policy Coordination Committee helps her keep the Board aware of the U.S. government's international broadcasting activities and priorities, and involve it in other U.S. government initiatives. For instance, the Under Secretary has named the Board and the Department of State's (Department) Bureau for Intelligence and Research as co-chairs of her policy coordination committee's subcommittee on government-wide audience research sharing.

The Under Secretary for Public Diplomacy and Public Affairs and the Board cooperate closely on ensuring the Department's foreign policy perspectives are part of Congressionally mandated consultations during BBG's Language Service Review – the Board's principal mechanism for strategic planning and management. These consultations include guidance from the highest levels of the Department on U.S. foreign policy priorities.

The Board has welcomed interagency cooperation, which has helped give BBG the "surge capacity" it needs to meet urgent, unexpected programming demands that current appropriations do not address. For instance, recently the Department's Office of Counterterrorism requested that the Board expand U.S. broadcasting to Somalia. In response, the Board quickly pooled resources with the Counterterrorism Office and the Bureau of Public Diplomacy and Public Affairs to augment the

programming. Other agencies for years have funded BBG broadcasts. For instance, the U.S. Agency for International Development has supported expanded VOA coverage of health issues, and the Department has funded expanded election coverage in Africa. BBG also has benefited from Department of Defense assistance in establishing its transmitters in Afghanistan. Those familiar with this cooperation say it fully respects the BBG's program content firewall protecting its broadcast integrity.

Within the context of existing legislation, the Chairman is addressing the Board's system of committees, wherein two or three governors are assigned special responsibilities for each of the entities or for broader functional tasks, such as overseeing the Language Services Review. The committees do not have ultimate authority, but rather recommend actions to the Board.

The committee system allows individual governors to focus their expertise on specific issues and enhance the entities' access to the Board through their committee chairpersons. The Board is developing additional functional committees in areas such as communications, human resources, and budget development, which will address higher-level BBG-wide rather than single-entity issues. The OIG team endorses the Board's consideration of these changes in the committee system that take maximum advantage of the governors' expertise to address BBG-wide strategic issues and encourage governors to avoid focusing on single-entity issues that directors of those entities can address.

BOARD STAFF

The Board's collective CEO structure and the varied group of entities it supervises require a strong professional staff. The Board and its staff's management challenges in directing U.S. international broadcasting now are more complex than those their predecessors faced during the Cold War. They supervise a multi-media, research-driven broadcasting system, which has made its strategic planning, budgeting, and programming decisions more demanding. They also must match U.S. international broadcasting human and technical resources to new, less predictable, shifting foreign policy challenges. The staff supports monthly Board and committee meetings, as well as executes the Board's BBG-wide and single-entity directives. This is demanding, and the staff is limited.

The Board staff is highly competent and enthusiastic – with high expectations of the Board under its new Chairman. The Board and its staff share a desire to make the staff more effective in its supervision of the BBG entities. The Board staff recognizes the need to fine tune its provision of information to the Board, among other functions, and has taken steps in that direction.

Reorganizing and rationalizing the Board staff structure would allow the governors to refocus more of their time and expertise from lower-level, entity-specific supervisory activities to broader, higher level strategic decision making, taking best advantage of their vision and expertise. This report provides several recommendations in that direction, including a human resources needs assessment to address possible staff increases.

The Board staff consists of the Executive Director, Congressional Coordinator, Program Review and Strategic Planning Officer, Special Projects Officer, Strategic Planning Manager, Executive Assistant, Policy and Program Coordinator, and a Presidential Management Fellow who serves as the Policy Analyst. In addition, the Office of the General Counsel consists of eight employees and the Office of the Chief Financial Officer of 30 employees. There are nearly a dozen vacancies in these offices.

The Board is filling a vacant Communications Officer position. The Board also is considering moving the Office of Public Affairs from the IBB to the Board staff. The Board also recently created a Director of Programming, but his responsibilities are not fully defined.

EXECUTIVE DIRECTOR AUTHORITIES

BBG's Executive Director is a career senior executive selected collectively by the Board. Because the Executive Director is a regular federal employee, the incumbent can provide valuable advice from a federal perspective to the Board, whose members are special employees from the private sector. According to the BBG Resource Book, the Executive Director is the principal liaison for BBG activities. The incumbent advises the Chairman and Board on planning matters and reviews the implementation of Board policy and programming decisions across the broadcasting entities. In addition, the Executive Director coordinates regularly with the Board, the IBB, and the grantees on mission and operational activities and serves as a liaison with other foreign affairs agencies on behalf of the Board and U.S. international broadcasting. The incumbent is responsible for preparing agendas for Board meetings.

The Board should rewrite the position description of the Executive Director, which was last updated in 1999 when BBG was part of the U.S. Information Agency. The new position description should clarify and strengthen the role of the Executive Director in coordinating the new BBG staff offices, and particularly decisions balancing the perspectives of the Office of the Chief Financial Officer and the Office of Strategic Planning. This report proposes the latter office below.

The strength of the Executive Director's position in maintaining a balance between programming and budget imperatives becomes critical when hard decisions are to be made in times of limited resources. With the addition of the Director of Programming at the head of an Office of Strategic Planning, the Executive Director will be called to help maintain a balance between the Board's budget staff's financial parameters and the Board's programming staff's needs, helping to drive BBG-wide change and strengthen strategic planning perspectives in Board decisions.

Recommendation 1: The Broadcasting Board of Governors should update the job description of the Executive Director to strengthen its lines of authority over newly augmented Board offices and staff. (Action: BBG)

During Board staff reorganization, the Executive Director will have to make special efforts to create a transparent environment that will serve as a model throughout the BBG. Board staff members said that although there have been positive changes in their work environment, there was still room for improvement. Some of the staff said that they did not know what their colleagues were working on. Some felt that

communications between staff members could be enhanced. More regular full-staff meetings would help the Board staff understand each other's duties and reinforce their roles, contributing to rationalization. The OIG team has made an informal recommendation that Board full-staff meetings be held regularly.

HUMAN RESOURCES PLANNING

The Board staff structure and responsibilities should be more fully rationalized. BBG often relies on identifying strong, talented individuals and tasking them to carry out the needs of the organization without reference to a well-defined staffing plan. One IBB official who had served in many capacities said that the relations between BBG, the IBB, and VOA appear to be a function of personalities with emphasis on the interchangeability between overlapping position designations. Outdated Board staff job descriptions and unclear organizational relations have left employees unsure what their job responsibilities are and to whom they report. Transparency within the staff has suffered. Some said that their own talents have not been fully used.

BBG's approach gives insufficient weight to the Chief Human Capital Officers Act of 2002⁴ provision that an agency's workforce development strategy should be based on its mission and strategic plan. The OIG team was told that the Board has needed more staff for years, but had not defined the functions and skills needed in the new positions. A lack of personnel planning along the lines of the Chief Human Capital Officers Act, however, has hampered addressing staff development needs and harmed staff morale and efficiency.

Lack of reference to clear personnel structure may also have contributed to the tendency for management to stretch BBG staff members to fill both their regular positions and acting positions, including the Executive Director who has filled, concurrently, the position of Acting IBB Director. Management simply may have had to stretch its employees because it is hard to find qualified candidates for some vacancies. An employee should fill only one well-defined position – the responsibilities of which should reasonably represent a 40-hour work week. This tendency appeared to extend down from BBG to IBB and VOA.

⁴5 USC § 1401 et seq.

BBG has not updated its human resources strategy since 2005; therefore, a human resources needs assessment of the Board staff would be very timely and help rationalize the staff structure around the changes discussed in this report. It also would establish a foundation for developing a hiring plan, including staffing increases that initial OIG team observations suggest may be warranted.

Recommendation 2: The Broadcasting Board of Governors should develop a written human resources needs assessment for the Board staff from which it can develop and reinforce its structure and implement a hiring plan. (Action: BBG)

HIRING FREEZE

Since December 2003, a BBG-wide hiring freeze has slowed managers' efforts to replace employees who leave, and also introduced extra bureaucratic steps into the hiring process, including the need for Board approval for freeze exemptions. The situation has adversely affected morale and efficiency, and given rise to the perception of "micromanagement." The Board implemented the freeze because of an unexpected Congressional rescission of funds applying it to both BBG federal entities and the grantees, except for the Middle East Broadcasting Networks. The latter was exempted because it had been created only recently and needed staff to operate.

Managers complained that to fill even the lowest level staff and/or to meet their most critical needs they encountered lengthy delays and extra work. No vacancy could be filled without the approval of the Board, which complicates these actions. The Board staff stated that the difficult financial situation, which caused the freeze, is ongoing. While a freeze can help to address short-term requirements, other means can better deal with a funding issue that has continued for four years.

During discussions of the hiring freeze, the Chief Financial Officer (CFO) said she was planning to replace the freeze with a salary allocation for each entity, federal and grantee, upon the enactment of the FY 2008 budget. Each entity could then decide for itself what vacancies to fill and do so in a timely manner within the limitations of the allocation. The inspection team agrees that this plan would result in a major improvement. The Board has approved this plan. Because the present inefficiencies related to the hiring freeze must be addressed, the inspection team is making a recommendation to ensure the plan is implemented.

Recommendation 3: The Broadcasting Board of Governors should lift the agency-wide hiring freeze and implement the Board-approved system of salary allocations for each entity. (Action: BBG)

RELATIONS WITH THE GRANTEES

Critical to understanding the grantees' relationship to BBG is the Board's Congressional mandate to supervise these entities' operations and allocate their funds. For this relationship to be the most productive, however, there must be a balance between the Board's need to supervise and the grantees' need for some limited operational independence. In general, the OIG team found the balance in the relationship to be working. In the area of programming editorial independence, the OIG team found no problems or complaints. Communications and information sharing among the Board, Board staff, and the entities, however, could be fuller. In addition, procedures for meetings among the Board, the Board staff, and the entities should be fine-tuned. Recommendations 4 and 5 address these issues.

BOARD STAFF – GRANTEE COMMUNICATIONS AND INFORMATION SHARING

Governors serving on the grantee committees have frequent contact with the entities and overall enjoy a positive relationship. Entity heads attend monthly meetings of the whole Board and report on their operations. Yet, most issues brought to the whole Board for consideration are filtered through the Board staff members who generally summarize and analyze entity provided material to facilitate decision making. Some entity staff questioned whether the Board staffs' influence over decision making through their role in the entities' presentations was too great. It is the part-time Board's prerogative to rely on its Board staff, but complete understanding of issues is essential.

Although the Board staff and the entities have frequent contact, the Board staff, at times, does not provide necessary information to the entities. For instance, the Board staff has failed, at times, to share entity salary data with the various agency entities. For two years in a row, the grantees were asked by the Board for salary figures to be used in a comparability study of their pay with that of VOA. The information was given each year, but the Board staff did not provide the entities with the results until November 2007. Some grantees explained that this data is needed for staff management. For example, contract negotiations with unions are adversely affected by the lack of comparative salary data.

Improvements in the sharing of information between the Board staff and the grantees would improve entity morale and foster efficiencies. Entity personnel would feel the Board understands their perspectives on policies, and operations would be more fully integrated. The entities also would have the information they feel is necessary to carry out their responsibilities.

Recommendation 4: The Broadcasting Board of Governors should develop and implement a plan to improve the exchange of information between the Board staff and other agency elements, including the grantees, to ensure adequate interaction and feedback. (Action: BBG)

GRANTEE MEETINGS WITH THEIR BOARDS OF DIRECTORS

The Board also serves as individual boards of directors for each of the grantees in accordance with the legislation establishing the agency. Directors' meetings are usually held in conjunction with monthly Board meetings. Current practice is for the Board staff members to attend the grantee directors' sessions. Entity officials perceive an impingement on their independence as they cannot confidentially discuss sensitive matters with their boards of directors. These meetings provide the only opportunity for a grantee to discuss issues with its entire board of directors. The grantees can request Board staff not to attend, but various individuals reported that this is awkward and not the accepted norm. Rather than routinely attending grantees' boards of directors meetings, the Board staff would better absent themselves and be present on an exception, invitation basis.

Recommendation 5: The Broadcasting Board of Governors should meet as the grantee boards of directors, with the agency's Board staff attendance on an invitation basis. (Action: BBG)

BROADCASTING BOARD OF GOVERNORS' BUDGET PROCESS

Although BBG is a relatively small agency, the complexity of its structure creates unique challenges for the Board and its staff in navigating the budget process. As the “head” of the agency, the Board, as a single body, has a key role to play in both the formulation and execution of the budget. However, the part-time status of the individual Board members requires intense and careful coordination to ensure that required deadlines are met and that the Board can respond nimbly to requests from the Office of Management and Budget (OMB) and the Congress. The requirement to present an integrated, coherent budget that incorporates input from BBG’s federal entities and grantees further complicates the process.

The CFO, a senior executive service position that reports directly to the Board, is the linchpin of the agency’s budget process. As the process has grown more complex due to tighter budgets, additional reporting requirements, and growth in BBG’s programs, the role played by the CFO has become increasingly visible and thus more vulnerable to criticism – much of it misplaced. Because the Board members are part-time employees, the CFO has become the main conduit for relaying budget-related Board decisions and requests to the entities, which has led to a perception among entity managers that the CFO exerts too much influence on the process and that the CFO is responsible for the decisions rather than the Board.

The CFO has strived to counteract the perception that her office has undue influence, but key vacancies on her staff leave less time to provide structured feedback to the entities. The strictures of the budget process itself and the authority of the Board regarding how and when information is shared are also factors. Much of the information that the entities want are Board documents that the CFO is not at liberty to disclose.

As in other areas of BBG operations, the budget process would benefit from greater transparency and communication from the Board and its staff to BBG entities. Although OMB praised BBG and, in particular, the CFO for presenting an integrated budget that was compliant with all requirements and for overall responsiveness to its requests, the internal process that produces the budget is viewed as very labor-intensive and even confusing by BBG entities. Managers in both the federal

and grantee entities complained that they were asked to provide extensive budget data and justifications but received little formal feedback in return from the Board or the CFO.

The fact that most of their programs cannot be funded at the levels requested by the entities cannot be discounted as contributing to the level of complaints about the budget process and how budget decisions are made. Poor communication and information sharing among personnel within the entities may also be a factor, as well as unfamiliarity with the federal budget process on the part of some managers.

The Board plans to meet with the entity heads, both federal and grantee, to discuss the budget process and areas for improvement in sharing information. At the working level, the CFO plans to hold brown bag lunches with middle managers to discuss the budget process and their respective roles. This is in addition to the quarterly meetings held between the CFO and the financial officers in each of the entities. The CFO also recently completed a revision of the section of the agency's Manual of Operations and Administration that deals with grantee administration and is developing a handbook for the grantees based on the revised section.

While these initiatives are promising, standard procedures for sharing budget information would ensure that the Board's decisions are communicated clearly and appropriately to both the federal entities and grantees and dispel misperceptions regarding how decisions are made.

Recommendation 6: The Broadcasting Board of Governors, in coordination with its federal and grantee entities, should develop written procedures for communicating budget information to the entities at key stages of the budget formulation and execution process. (Action: BBG)

STRATEGIC PLANNING SUPPORT

One of the Board's most important management oversight responsibilities is setting the priorities and overall strategic direction of U.S. international broadcasting. The Board staff does not include, however, a staff office to deal with strategic planning and program management at a level comparable to the two existing Board staff offices, the Office of the Chief Financial Officer, and the Office of the General Counsel. The three staff officers whose responsibilities include contributions to BBG strategic planning (the Director of Strategic Planning, the Policy and Program Officer, and the Program Review and Planning Officer) are individual officials. During the current inspection, the BBG also hired a Director of Programming. The relationship among these officials has not been fully established.

Although the Board indicated in 2005 BBG letters to its House and Senate Appropriations and Authorizing Committees of its intentions to establish the Office of Strategic Planning and Performance Measurement under the direction of the Board, this has not been accomplished. A strong, integrated BBG Office of Strategic Planning headed by a Chief Strategic Planning Officer would more fully support staff management of strategic planning and associated matters. The office, in addition, would provide better in-depth and coordinated staff support to all the BBG committees as well as the Board in the myriad tasks and responsibilities mandated to this part-time, collective CEO body. The office would be the Board staff's lead office in supporting the Language Service Review process, the Board's principal de-facto strategic planning mechanism. It could also facilitate Language Service Review committee efforts to expand transparency through increased, ongoing entity involvement in the review.

Recommendation 7: The Broadcasting Board of Governors should establish an Office of Strategic Planning. The responsibilities of the office would include lead support for the Language Service Review committee. (Action: BBG)

STRATEGIC PLANNING, LANGUAGE SERVICE REVIEW, AND BUDGET PROCESS

The Language Service Review is the Board's principal mechanism to review its progress and adjust the direction of its activities towards meeting its strategic goals. It is a critical element of international broadcasting activities. The Board developed the annual Language Service Review process to fulfill its Congressional mandate "to review, evaluate, and determine, at least annually, after consultations with the Secretary of State, the addition or deletion of language services." Because of its strategic importance and weight in determining the need for reductions in force when services are cut, the results of the Language Service Review are an issue of concern at all levels of personnel throughout the agency.

The Board established a Language Service Review oversight committee of two governors supported by a BBG staff of five members: the Executive Director, CFO, CFO's Director of Strategic Management, the Program Review and Planning Officer, and a Presidential Management Fellow. The committee advises the BBG on language service priorities and also addresses larger strategic issues, serving as the Board's de facto strategic planning committee.

Without the involvement and guidance of the Board staff's lead strategic planning officer, Language Service Review decisions cannot be fully coordinated with the complete BBG strategic planning processes. The leadership of a Board staff Chief Strategic Planning Officer over the support staff to the Language Service Review committee would help it address strategic planning more fully. A recommendation for the establishment of this position is addressed above.

The work of the Language Service Review committee focuses on two findings: priority and impact. These criteria derive mainly from strategic planning for international broadcasting and alignment with broad national policy objectives. Though an important element, the budget is just one of several criteria in the final analysis. Yet, the expertise of current staff support for the Language Service Review is more heavily weighted towards budgetary issues in development of language broadcast proposals to the Board and to the OMB.

In part, this has resulted from the commendable progress the Board has made in focusing on the budget and strategic planning processes. OIG Memorandum Report of November 2004⁵ noted that BBG took positive steps to link its strategic planning and budget process. The CFO noted her office, at that time, did not play a role in the creation of BBG's strategic plan; therefore, the office hired a Director of Strategic Management to coordinate budgeting with strategic planning. This CFO staff modification changed the staffing process from one of "linkage" to tighter "integration" of the budget and strategic planning processes.

In the absence of an Office of Strategic Planning proposed elsewhere in this report, the result of this staff enhancement was the expansion of the role of the CFO beyond that of providing agency budget parameters within which entities must make program proposals to that of developing the proposals themselves during the Language Service Review. The BBG Office of Strategic Planning leading the process would correct this staffing imbalance.

Recommendation 8: The Broadcasting Board of Governors should include the proposed Office of Strategic Planning as the lead office, along with the Office of the Chief Financial Officer, to provide in-depth strategic program planning support to the Language Service Review committee. (Action: BBG)

LANGUAGE SERVICE REVIEW COMMITTEE

Only two Board members compose the Language Service Review committee. The committee oversees the annual Language Service Review of approximately 60 languages affecting all of the BBG broadcasting entities. This is a top-down strategic analysis focusing on priority and effectiveness. As stated earlier, this is the heart of the international broadcasting strategic operations. There should be a larger committee attendant to needs of both the government and the grantee broadcasting entities. In this regard, the OIG team informally recommended that the Language Service Review committee be composed of four Board members who also serve on Board committees providing oversight to the federal and grantee entities.

⁵OIG Report # IBO-A-05-01, Review of the Broadcasting Board of Governor's Progress in Linking its Budget Process and Strategic Planning – November 2004

TRANSPARENCY AND CONGRESSIONAL INPUT

BBG personnel, especially in the language services, regularly complain that the Language Service Review has not been transparent enough and that the criteria to cut language services are not clear. In addition, Congressional action on the BBG budget often does not support the programmatic cuts that grow out of the Language Service Review, using its prerogatives to request that BBG continue specific language service broadcasts through specific language services after the Language Service Review has assigned them a lower priority than needed to continue support. This input outside the Congressionally mandated decision process makes the Language Service Review's function less clear.

Numerous officials close to the Language Service Review have stressed the seriousness with which the Board takes the process. The Language Service Review committee and its staff have sought to standardize the process, provide criteria on the IBB web site, and include the broadcast entities more fully in an ongoing deliberative process in which entity heads are given repeated opportunities for input into the process. These steps are very positive, and combined with direct, ongoing entity input, committee feedback, and entity director access to the final report of the Language Service Review deliberations, will make the process more fully transparent.

It is not unusual for members of Congress to suggest the BBG continue specific international broadcasts that the Language Service Review process flags as lower priority programs, and that are then proposed for reduction or elimination in the BBG's budget request. Yet there does not appear to be a consultative process between the BBG and Congress during the Language Service Review deliberations over foreign policy priorities and service impact. The Board's Congressional Coordinator and CFO coordinate with Congressional committees on BBG budgetary and program issues, but expanded efforts are needed to identify Congress's concerns on program issues that might factor into the Language Service Review process.

In order to make the Language Service Review exercise a comprehensive process representing the full range of U.S. government interests, the Board members, in a bipartisan manner, could liaise with Congress to learn its perspectives on program priorities for possible Board incorporation in the final Language Service Review analysis. These Board discussions with Congress would focus on program rather than budgetary issues. Such discussions would serve to make the Language Service Review process more comprehensive by including Congress's program perspectives in its final analysis. This would make the final results more complete and the full process of establishing strategic priorities more transparent. This report contains an informal recommendation on these consultations.

FORMAL RECOMMENDATIONS

Recommendation 1: The Broadcasting Board of Governors should update the job description of the Executive Director to strengthen its lines of authority over newly augmented Board offices and staff. (Action: BBG)

Recommendation 2: The Broadcasting Board of Governors should develop a written human resources needs assessment for the Board staff from which it can develop and reinforce its structure and implement a hiring plan. (Action: BBG)

Recommendation 3: The Broadcasting Board of Governors should lift the agency-wide hiring freeze and implement the Board-approved system of salary allocations for each entity. (Action: BBG)

Recommendation 4: The Broadcasting Board of Governors should develop and implement a plan to improve the exchange of information between the Board staff and other agency elements, including the grantees, to ensure adequate interaction and feedback. (Action: BBG)

Recommendation 5: The Broadcasting Board of Governors should meet as the grantee boards of directors, with the agency's Board staff attendance on an invitation basis. (Action: BBG)

Recommendation 6: The Broadcasting Board of Governors, in coordination with its federal and grantee entities, should develop written procedures for communicating budget information to the entities at key stages of the budget formulation and execution process. (Action: BBG)

Recommendation 7: The Broadcasting Board of Governors should establish an Office of Strategic Planning. The responsibilities of the office would include lead support for the Language Service Review committee. (Action: BBG)

Recommendation 8: The Broadcasting Board of Governors should include the proposed Office of Strategic Planning as the lead office, along with the Office of the Chief Financial Officer, to provide in-depth strategic program planning support to the Language Service Review committee. (Action: BBG)

INFORMAL RECOMMENDATIONS

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

Members of the Board staff are not fully aware of each other's duties and activities, undermining its functions and transparency.

Informal Recommendation 1: The Broadcasting Board of Governors Board staff should hold full-staff Board meetings regularly.

The present Language Service Review committee is composed of only two governors and needs to more fully reflect BBG-wide perspectives in this crucial strategic planning activity.

Informal Recommendation 2: The Broadcasting Board of Governors should assemble the Language Service Review committee from four Board governors who also serve as members of committees with responsibilities for both the federal and grantee broadcasting entities.

Congress often uses its prerogatives to request that BBG continue broadcasts through specific language services after the Language Service Review has assigned them a priority lower than needed to continue support. This input outside the Congressionally mandated decision process makes the Language Service Review less comprehensive and its function less clear.

Informal Recommendation 3: Board members should liaise with Congress to learn its perspectives on program priorities for possible Board incorporation in its final Language Service Review priorities.

PRINCIPAL OFFICIALS

Board of Governors

Chairman, BBG Board	James K. Glassman	06/07
Secretary of State and BBG Board Governor	Condoleezza Rice	01/05
BBG Board Governor	Joaquin F. Blaya	11/02
BBG Board Governor	Jeffrey D. Hirschberg	12/02
BBG Board Governor	Blanquita Walsh Cullum	11/02
BBG Board Governor	Mark David McKinnon	01/07
BBG Board Governor	Edward E. Kaufman	08/95
BBG Board Governor	Steven J. Simmons	11/02

Principal Board Staff

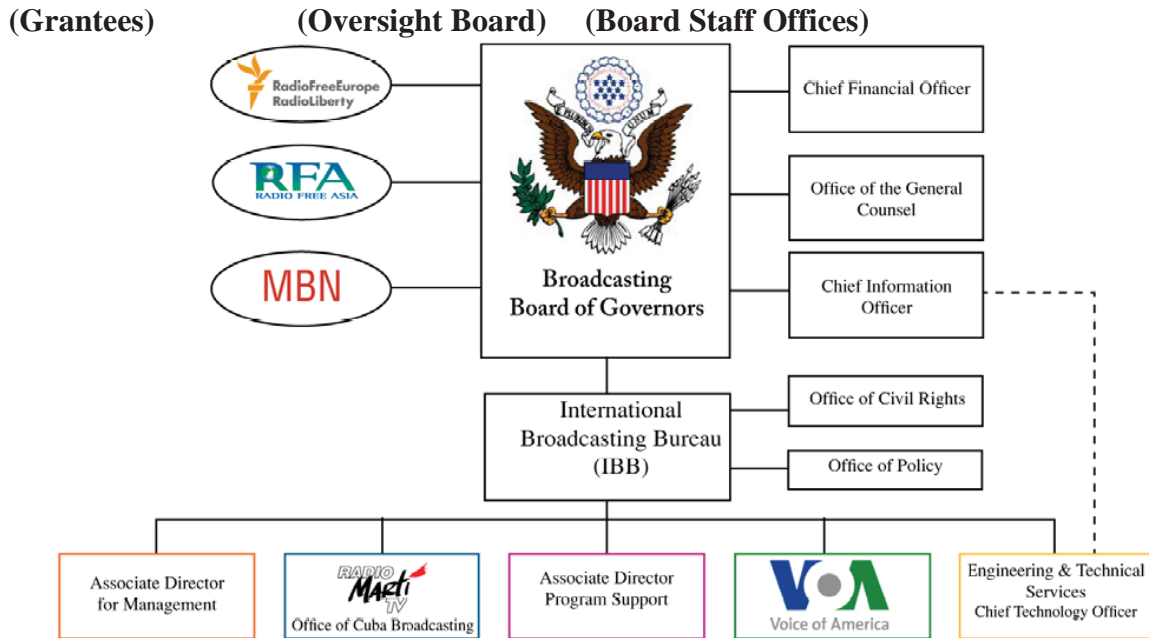
Executive Director	Janice H. Brambilla	06/06
Legal Counsel and Acting General Counsel	Carol Booker	11/00
Chief Financial Officer	Janet Stormes	03/05

ABBREVIATIONS

BBG	Broadcasting Board of Governors
CEO	Chief Executive Officer
CFO	Chief Financial Officer
IBB	International Broadcasting Bureau
OMB	Office of Management and Budget
VOA	The Voice of America

APPENDIX A – ORGANIZATIONAL CHART

BROADCASTING BOARD OF GOVERNORS



FRAUD, WASTE, ABUSE OR MISMANAGEMENT
of Federal programs
and resources hurts everyone.

Call the Office of Inspector General
HOTLINE
202/647-3320
or 1-800-409-9926
or e-mail oighotline@state.gov
to report illegal or wasteful activities.

You may also write to
Office of Inspector General
U.S. Department of State
Post Office Box 9778
Arlington, VA 22219
Please visit our website at oig.state.gov

Cables to the Inspector General
should be slugged "OIG Channel"
to ensure confidentiality.

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