



Office of Inspector General  
U.S. Department of State  
and the  
Broadcasting Board of Governors

# MONTHLY REPORT OF ACTIVITIES

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*audits, inspections, testimony, and special activities*

**April/May 2001**

This report describes testimony provided by the Inspector General or other OIG officials and lists OIG reports issued during the period indicated. This report includes unclassified summaries of classified reports; all text in this report is unclassified. Classified reports are not distributed publicly. On occasion, OIG distributes an unclassified version of a classified report; in such a case, this listing also indicates the issued date of the original report. In addition, all major reports, together with OIG investigative activities are summarized in the Inspector General's semiannual reports to the Congress, which are publicly available every June and December.

## **Reports Issued Relating to Financial Management and Administration**

### **Foreign Service Retirement and Disability Fund Financial Statements for FY 2000** **(01-FMA-R-014)**

An independent external contractor audited the Foreign Service Retirement and Disability Fund's (FSRDF) Financial Statements for FY 2000 in order to report on whether the financial statements fairly present financial position and results of financial operations in accordance with generally accepted accounting principles, to determine whether FSRDF has an internal control structure that provides reasonable assurance of achieving internal control objectives, and to determine whether FSRDF complied with applicable laws and regulations. FSRDF is a trust fund that provides pensions to retired and disabled members of the Foreign Service. For FY 2000, FSRDF reported assets of \$10.8 billion and an actuarial unfunded pension liability of \$669.5 million.

The contractor found that the financial statements were presented fairly in all material respects. The audit did not identify any internal control weaknesses or instances of noncompliance with laws and regulations that were considered necessary for disclosure.

### **Review of the Accounting System of Delphi International, Inc.** (01-FMA-M-048)

OIG applied certain agreed-upon procedures with respect to Delphi International, Inc., (Delphi), a Department of State, Bureau of Educational and Cultural Affairs (ECA), grantee. OIG performed the procedures with respect to the accounting system utilized by Delphi to record costs under grants awarded by the former United States Information Agency. OIG also reviewed activity related to Delphi's procedures for requesting cash advances under Federal grants. The review was made solely to assist the Department in evaluating the adequacy and accuracy of Delphi's accounting system and appropriateness of requests for advances. Specifically, ECA requested this review to assist in making a determination as to whether to place this grantee on the Department of Health and Human Services Payment Management System.

OIG concluded that Delphi's accounting system was basically adequate for accumulating and reporting costs incurred under Federal grants. OIG did note, however, inaccuracies between the financial data recorded in the grantee's official accounting records and the amounts reported

in the quarterly financial reports. In addition, the analysis of Delphi's requests for cash advances disclosed significant variances between the amounts requested and the corresponding amounts incurred in the period covered by the request. Therefore, OIG is recommending that the ECA grants officer not place Delphi on the Payment Management System.

## Reports Issued Relating to Foreign Policy

### *Review of the Broadcasting Board of Governors Audience Research Program (01-FP-R-042)*

OIG reviewed the audience research operations of the Broadcasting Board of Governors (BBG). The objectives of the review were to determine BBG's progress in developing a reliable research capability, evaluate how BBG gathers and uses the research, and analyze the related contracting practices. In addition, OIG evaluated the performance data related to audience research included in BBG's FY 1999 performance report proposed in response to the Government Performance and Results Act (GPRA).

OIG found that BBG had made significant progress in developing a reliable audience research capability. For example, it completed its first two language service reviews with research playing a significant role, developed an audience research manual, and significantly increased audience research funding.

However, OIG found that BBG could further improve its program and recommended that they (1) establish procedures to ensure the language priorities established by the Board are considered in allocating audience research funds, (2) ensure its broadcast entities document the use of research recommendations in making broadcast and programming decisions, (3) require its broadcast entities work with Board staff to improve the agency's GPRA planning and reporting process, and (4) ensure that the audience research contracting practices of Radio Free Europe/Radio Liberty and Radio Free Asia adhere to Office of Management and Budget guidance.

## Reports Issued Relating to Information Technology

### *Year 2000 Lessons Learned: Strategies for Successful Global Project Management* **(01-IT-R-008)**

The Year 2000 (Y2K) crisis presented a unique situation and possibly the greatest management problem the world has ever faced. For months, the world worked cooperatively to prepare information systems for the millennium date change. In the end, global efforts and the resources invested in Y2K management paid off as the world entered the New Year 2000 with minimal disruptions.

We conducted a retrospective study of the global Y2K management exercise to identify effective practices and lessons learned that can be applied for future benefit. The end product from our study, provides case studies and outlines key management principles--including ensuring strong leadership, building public awareness, and considering cultural differences--that international business and government officials can consider when addressing information technology or other emerging global management challenges.

## **Reports Issued Relating to Security Infrastructure Oversight**

During this reporting period, OIG issued two Security Compliance Followup Reviews: one of Radio Free Europe/Radio Liberty, Prague, Czech Republic, and the other of Embassy Prague, Czech Republic.