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

Report of Inspection

Embassy Lilongwe, Malawi

Report Number ISP-I-05-36A, September 2005

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The inspection took place in Washington, DC, between April 4 and 28, 2005, and in Lilongwe, Malawi, between May 31 and June 10, 2005. Ambassador Vincent Battle (team leader), Anita G. Schroeder (deputy team leader), Ronald Harms, Deborah Klepp, Christopher Mack, Jennifer Noisette, James E. Peters, Katherine Schultz, William Urbanski, and Timothy Wildy conducted the inspection.

CONTEXT



Malawi is one of the world's poorest and least developed countries. Agriculture is a mainstay of the economy, but development is restricted by limited natural resources, a landlocked location far from seaports, high transportation costs, inadequate infrastructure, poor education, and endemic health problems. Institutionalized corruption and a history of state intervention in the economy have further inhibited progress. Compounding these challenges was the suspension in 2003 of disbursements by the International Monetary Fund and the withdrawal of budgetary support by major donors such as Norway and the United Kingdom. However, the elections of 2004 brought to power a president committed to reform. Under this new leadership, Malawi is poised for positive change, and Embassy Lilongwe is working to take advantage of this opportunity to advance the country's development.

The short-term economic policy goal of Malawi's government will be to secure resumption of the International Monetary Fund disbursements that ended two years ago. To this end, the new administration has concentrated reforms on macroeconomic reform and fighting corruption. Working under a 12-month, staff-monitored program agreed upon with the International Monetary Fund, the government has met its targets. This tightening of fiscal discipline is reflected in the country's current budget and has prompted a resumption of budgetary support by bilateral donors and the release of a substantial credit by the World Bank. At the same time, the president has laid out a development strategy based on economic growth and wealth creation through improving the business and investment climate. Given Malawi's history of state control of its economy and its lack of an entrepreneurial culture, the success of economic liberalization and free markets is not guaranteed, but the opportunities for U.S. assistance are significant.

The government's drive against corruption is equally determined, but the obstacles to success are hefty, and tangible success is limited. The authorities have arrested several former government officials on corruption charges, but there has been only one conviction to date. Funding for the nation's Anti-Corruption Bureau has grown, but resources are still insufficient, and the largely untrained and ill-equipped staff labors under daunting conditions.

The United States has a strong, productive, and growing relationship with Malawi that focuses on alleviating the country's alarming health situation, fostering economic growth within the current reformist environment, and strengthening democratic institutions, including support for the government's anticorruption efforts. USAID, Peace Corps, and the Centers for Disease Control and Prevention (CDC) join the Department in furthering these goals. With 29 direct-hire American positions and over 200 locally employed staff (LES), the mission's operating and program budgets total around \$50 million. There are around 110 Peace Corps volunteers throughout the country, and new trainees arrived during the inspection.

Underpinning all reform efforts in Malawi is the stark fact that the country faces enormous health problems. There is a longstanding U.S. government-supported HIV/AIDS program that involves the Malawi government, international donors, nongovernmental organizations, and faith-based organizations. The program emphasizes voluntary counseling and testing, and the delivery of antiretroviral therapy throughout the country. This effort will accelerate with the recent inclusion of Malawi in PEPFAR as an associated country. The mission also focuses on eradicating tuberculosis, malaria, and measles, on preventing childhood diseases, and on combating Malawi's high rate of maternal mortality.

The MCA is high on the U.S. agenda in Malawi. Given the newly elected government's commitment to reform and economic growth, Malawi has qualified for an MCA threshold program, and the two governments are working to ensure its success. The U.S. agencies' are pursuing macroeconomic stability, liberalization, privatization of state enterprises, and improvement of the investment climate. Efforts under the African Growth and Opportunity Act have also significantly increased Malawi's textile and clothing exports to the United States. With the elimination of garment quotas at the start of 2005, however, the industry is losing steam (and jobs) in the face of low-cost competition from Asia. The U.S. government is reviewing Malawi's export potential under other African Growth and Opportunity Act-eligible products.

Malawi's experience with democratic government dates back little more than ten years, and for the first time in the nation's brief democratic history, the recently elected parliament does not have a strong, ruling-party majority. Not surprisingly, current political dynamics are characterized by shifting alliances and endless maneuvering. The embassy is building a solid relationship with the parliament to strengthen its balancing role in Malawi's governance and is fostering links between the government and the nation's active and often critical media. Recent U.S. financial support for the Anti-Corruption Bureau demonstrates its commitment to another top Malawi government priority.

EXECUTIVE DIRECTION

LEADERSHIP

Embassy Lilongwe has been under the stewardship of a chargé d'affaires for more than one year since the unexpected departure of the Ambassador for service in Iraq in May 2004. The chargé d'affaires has provided strong and focused leadership and, although he was a first-time deputy chief of mission, he has ably focused on achieving the embassy's substantive mission and managing embassy operations and resources.

For multiple reasons, the task the chargé faces is particularly challenging, and he can be proud of meeting those challenges. In addition to the absence of both the Ambassador and a front-office office management specialist, Embassy Lilongwe suffered lengthy staffing gaps in the political section, general services office, and information management office. There has also been no permanent USAID director for more than six months. These gaps occurred in the context of sweeping personnel changes, with only two of 12 Department personnel remaining at post more than one year. Nonetheless, the chargé tirelessly mobilized the remaining Department employees, who were few in number and often short on Department experience, to keep U.S.-Malawi relations on track and to advance U.S. involvement. Specifically, the charge' directed an inclusive mission planning process that considered the contributions of all U.S. government agencies in Malawi. He also used his extensive experience with information technology to maintain a flow of communication about the embassy's mission to the official community and the Malawi audience. In all, he and the mission's employees have worked with remarkable commitment.

The U.S. government currently provides 33 percent of all contributions to the Global Fund to Fight AIDS, Tuberculosis, and Malaria, which makes five-year grants and whose grants are now approaching their two-year mark. In June 2005, the Department asked Embassy Lilongwe to comment on the viability of extending Malawi's Global Fund to Fight AIDS, Tuberculosis, and Malaria grant for an additional \$242 million over the next three years. The Office of Inspector General (OIG) understands that this sizable grant is likely to be approved and implemented.

MISSION PERFORMANCE PLAN

Embassy Lilongwe took preparation of its FY 2007 Mission Performance Plan (MPP) seriously. Department action officers worked with other sections and agencies to redraft the MPP's four policy performance goal papers. The chargé d'affaires then convened a session with all sections and agencies to refine the draft. As a result, the MPP well reflects U.S. policy and program priorities. OIG encouraged post to use the MPP more actively during the year to chart its progress in meeting goals. The post's next MPP submission would benefit from putting the performance goal papers in priority order and determining how much attention is needed from the executive office on each goal. The public affairs section's goal paper on international public opinion might more appropriately be directed toward mutual understanding, and Embassy Lilongwe could review this issue at the same time.

OIG found the MPP's priorities and the mission's MPP focus give primacy to assisting the Malawian government's economic reform and governance programs in preparation for participation in MCA. Lesser importance is attached to improving health in Malawi, although over 50 percent of the current annual U.S. allocation of resources in Malawi goes to improving health and bringing HIV/AIDS under control. The funds from the Global Fund to Fight AIDS, Tuberculosis and Malaria will dramatically increase this heavy concentration of resources. Clearly, both the health and reform goals are significant for U.S. government interests in Malawi. The executive office must embrace the importance that the global health agenda plays in U.S.-Malawian relations and ensure there is appropriate executive office attention to this priority. The need for this clear prioritization will become ever more critical as Malawi moves toward formal participation in PEPFAR.

At the same time, the embassy should update its MPP to reflect the potential infusion of significant funding under the MCA if, as anticipated, Malawi achieves MCA threshold status this year. The embassy must include in its planning projections this funding, estimated at \$20 million over two years, and the human resources it will need to support this funding. Doing so will substantiate the emphasis the executive office places on the economic and political reform agendas.

Recommendation 1: Embassy Lilongwe should use the occasion of the arrival of the new Ambassador to review its Mission Performance Plan and amend the plan as needed to reflect the influx of Millennium Challenge Account funding, the inclusion of Malawi as a nonfocus country in the President's Emergency Plan for AIDS Relief, and the implications for mission staffing of these initiatives. (Action: Embassy Lilongwe)

The marked expansion of U.S. engagement with the government of Malawi grew out of the election of a reform-oriented government in May 2004. Six months later, the U.S. accorded Malawi the opportunity to achieve threshold status in the MCA. The chargé used this opportunity to galvanize his economic reform and governance teams, bringing together the Department and USAID to encourage Malawi to turn a corner in its development. While in Lilongwe, OIG saw the embassy team working with Malawi stakeholders to finalize Malawi's business plan for presentation under the MCA. The chargé also stepped up his public advocacy for economic reform, a vibrant open market, and good governance. He became a fixture on Malawi's speaker circuit, and his forthright comments have merited front-page media attention. As a public diplomacy officer, he understood well the constructive role of the embassy's public affairs section (PAS) in getting the message out. During the inspection, OIG saw a good example of PAS programming supporting the embassy's economic reform goal.

In mid-2005, the U.S. government increased the embassy's work by bringing Malawi into PEPFAR, not as a focus country, but as one of five countries around the world that merit special attention because they receive over \$10 million in U.S. government funding for HIV/AIDS work. A joint USAID-CDC team was in Malawi during the inspection to review with the chargé the impact of this new status on the embassy and what new reporting requirements it will impose. Department leadership will be critical in ensuring the success of an interagency response to this challenge. The campaign to improve Malawi's disastrous health situation, including HIV/AIDS, had been part of mission planning even prior to PEPFAR. Nonetheless, the chargé d'affaires' direct role in the health agenda has been much less active than with other elements of the MPP. This will have to change. Both the incoming Ambassador and the deputy chief of mission will need to exert firm and inspired leadership to ensure that the interagency resources and expertise in Malawi will form a strong, collaborative country program. The chargé understands the need for the closest possible interagency cooperation to ensure effective action.

He will assign the newly arriving political officer the responsibility of day-to-day Department coordination of the interagency effort. Nothing, however, can replace in-depth and knowledgeable executive office involvement in ensuring that new directions in dealing with HIV/AIDS will enhance and strengthen the mission's achievement of its global health goals.

The chargé d'affaires' leadership style is effective, and the results of the OIG questionnaires validate this assessment. His scores for communication and feedback are particularly impressive. The results for the U.S. government are positive, although the embassy is facing many of the challenges identified in OIG's 2004 memorandum report *Strengthening Leadership and Staffing at African Hardship Posts*. That report notes that "there is a strong relationship among leadership, morale, staffing, and diplomatic readiness at hardship posts...OIG inspection teams find that, with good leadership from the Ambassador and deputy chief of mission, hardship posts can be successful, congenial workplaces with high morale..." Embassy Lilongwe in 2005 epitomizes those linkages. The mission has a committed, well-led team that faces staffing gaps and an increasing workload in a hardship environment.

FACILITIES

The executive office has devoted significant time and energy to highlighting the inadequacies and security problems of existing embassy facilities. The chancery houses many of the Department's sections and the one-person Department of Defense office. The small chancery compound also has an administrative annex and several buildings along the compound's perimeter wall that contain a motor pool mechanic station, the embassy canteen, a small warehouse, and the health unit. Outlying facilities include three operations within walking distance of the embassy: USAID's leased, four-story building, CDC's leased space in a commercial building, and the PAS' leased space in a third commercial building. The Peace Corps has its offices in a free standing leased compound some three miles from the chancery. The embassy also has a warehouse that it shares with USAID.

Although the facilities on the chancery compound are inadequate, Embassy Lilongwe is not slated for a new embassy project in the foreseeable future. (b) (2)
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ground floor of the leased USAID building to provide new space for the PAS. OIG viewed the renovation of this space, which is approximately 75 percent complete. Even after this renovation, there will be excess space in the USAID building that should factor into the executive office's future facilities decisions. In 2003, the embassy benefited from a one-time participation in a pilot OBO "wellness" program in which OBO allocated \$1 million for renovations at the chancery and at government-owned residences.

The big news on the facilities front is the OBO commitment of \$10 million to renovate the chancery building. Although plans are incomplete, an OBO design team visited Lilongwe early in 2005. (It did not leave drawings or security specifications with the embassy.) The executive office told OIG it was concerned that the projected renovations would affect only the chancery building and not the administrative annex or the perimeter buildings. OIG shares these concerns and believes OBO should redirect the \$10 million to upgrading the administrative annex and to enabling the embassy to vacate the perimeter buildings. (These matters are discussed in detail in the Diplomatic Readiness section of this report.)

INTERAGENCY COOPERATION

Four U.S. agencies and the Department implement the programs and policy advocacy in the MPP. USAID manages a program valued at more than \$30 million per year. A hefty proportion of this assistance package focuses on health, population, and nutrition, and much smaller amounts are devoted to economic growth, democracy and governance, and basic education. CDC uses its annual \$2.4 million program budget to combat HIV/AIDS, malaria, and tuberculosis. The Peace Corps' 110 volunteers are spread throughout the country and are under three umbrella programs: health, environment and agriculture, and education. A small liaison office of the Department of Defense's Office of Defense Cooperation operates in Malawi with one LES military program assistant who is supervised by the political officer.

The Department took the lead in drawing up the MPP, but each agency at post contributed to the development of the goal papers and the chargé d'affaires led a well-attended working session on the draft, ensuring buy-in from all agencies at post. Three substantive MPP goals emerged: improving Malawi's global health situation, strengthening democracy and good governance, and ensuring economic growth.

The biggest chunk of current U.S. development assistance to Malawi goes to global health, as has been the case for several years. CDC's entire budget is aimed at the health agenda. USAID devotes nearly two-thirds of its program budget to health programs, and the Peace Corps assigns more than a third of its volunteers to health activities. The Department's leadership on this priority goal has been minimal, effectively ceding the lead to the technical agencies. Communications among these agencies at the working and management levels is excellent but coordination among the technical agencies has been more informal than direct. The chargé d'affaires has encouraged the PAS to support activities under the global health agenda, and PAS programming has been effective, particularly in support of the HIV/AIDS campaign.

During the inspection, the embassy hosted a visit from a USAID/CDC Washington team that was outlining to agencies and the chargé d'affaires Malawi's formal inclusion in PEPFAR as a nonfocus country. Resources for HIV/AIDS will remain between \$10 million and \$15 million per year, but reporting requirements will grow and interagency collaboration will be essential for effective implementation of PEPFAR. The Department's Office of the Global AIDS Coordinator (S/GAC) has responsibility for the overall management of the program and must provide clear guidance to the chargé d'affaires and the incoming Ambassador on their roles in PEPFAR. Firm and inspiring executive office leadership will be essential for success. The chargé d'affaires understands this and will ensure that the incoming Ambassador does too.

The Department and USAID have effectively collaborated on the other two mission goals, strengthening democracy and good governance and promoting economic growth through reform. The framework for this collaboration is Malawi's attempt to achieve threshold status under the MCA. Success will bring Malawi an infusion of U.S. government funding valued at up to \$20 million over the next two years and possible staff increases from the Department of Treasury's Office of Technical Assistance and other U.S. agencies. Weekly meetings chaired by the chargé bring together all the personnel working on these two priorities and have proven an effective method for coordination. With U.S. government assistance, the Malawi government was scheduled to submit its required business plan to MCA for consideration in June 2005. The PAS also participated in these sessions, and the embassy's support of these goals has received extensive media attention, demonstrating the value of collaboration with the PAS.

The Peace Corps describes its work in the fields of education and the environment as congruent with these two reform goals and says that its health program fits with the mission's overall health agenda. Peace Corps staff members are fully integrated into the country team, but say there is little direct coordination as they plan their programs. The chargé shared with OIG a memorandum dated December 20, 2004, from the Peace Corps director. The memo advised Peace Corps country directors not to participate in mission-level planning, other than for the International Cooperative Administrative Support Services (ICASS) system, if their involvement would require more than providing information about Peace Corps' programmatic and resource plans. With this limited collaborative planning, the chargé must find ways to ensure that Peace Corps operations in Malawi remain useful to overall U.S. involvement in the country.

ENTRY LEVEL PROGRAM

The chargé d'affaires takes seriously his role as mentor and career development advisor for the entry-level employees. In November 2004, three months after his arrival, he addressed a thoughtful memorandum on his "professional development program" to the three entry-level personnel then at post. The memo explained the rationale for the program clearly - the opportunity to gain a range of experiences and exposure to different elements of the mission and the Foreign Service. The memo also directs each untenured employee to review 20 optional activities that can provide the experience required to succeed across a full career. The options range from attending monthly professional development speaker programs and video screenings to drafting a speech for the Ambassador or visiting a Peace Corps volunteer site. The memo commits the chargé and management officer to assisting untenured employees in taking advantage of the opportunities outlined.

All untenured first- and second-tour employees met with the OIG inspection team, and all expressed enthusiasm for the opportunities available under the professional development program and appreciation for the focus the chargé d'affaires gave to their professional development. They also said time constraints interfered with their ability to participate as much as they would like, but they agreed that the breadth of opportunities for the "beyond the job description" activities was a special feature of a small post such as Lilongwe.

MORALE

Despite the embassy's staffing shortages and their burden on the staff, morale is good. Four issues affect morale at this post: schooling, eligible family member (EFM) employment, health care, and the tour of duty. (Views on the school of choice for most official families are mixed and are covered in the section of this report on the International School.)

The post has worked to maximize opportunities for EFM employment and has done quite well. Employment opportunities outside the mission are limited, and some EFMs remain unemployed, not because jobs are unavailable, but because the EFMs are pursuing jobs at levels more commensurate with their skills and training. OIG explored with USAID the options for EFM employment at that agency, where one position recently became available.

Most employees and their families are content with the medical facilities available for routine medical care. The informal three-way partnership between the mission's medical personnel and laboratory, the Peace Corps doctors, and the doctor at the British High Commission appear to be adequate, but there is high anxiety over responding to medical emergencies and it is unlikely this situation will improve. (This issue is discussed further in the section of this report on Health Unit Operations.)

Embassy Lilongwe is one of only two African posts with a 20-percent hardship differential and a three-year tour of duty. Lilongwe has been historically difficult to fill, and the long gaps in 2004-2005 attest to this fact. In preparation for its effort to seek a tour of duty reduction to two years, a post management survey of the workforce found it overwhelmingly endorsing a two-year tour that preserved one rest and recuperation trip and the option to extend for longer periods. Post management submitted a request for this adjustment to the Bureau of African Affairs, and OIG understands that the change will be implemented.

POLICY AND PROGRAM IMPLEMENTATION

POLICY ADVOCACY AND REPORTING

Washington policymakers say they are impressed with the mission's access to Malawian government officials and civil leaders and praised the post's advocacy on economic reform, anticorruption, and trafficking in persons. Policymakers and analysts said the embassy's reporting on political and economic developments is excellent, insightful, and well timed, particularly its situation reports on anticipated food shortages. Policymakers highlighted the embassy's creative and effective use of information technology in its reporting, including video clips, and said the embassy's Intranet web site is the best in the region. Analysts noted that they would appreciate even more reporting on economics. OIG's review of two months of the embassy's front-channel reporting found it timely, relevant, and objective, and that it consistently included value-added analysis. OIG provided some technical suggestions to improve the distribution and readability of the reporting.

Embassy Lilongwe has achieved an impressive advocacy and reporting record by coordinating effectively among agencies and sections. Over the past year, the embassy has had less than 1.5 full-time-equivalent Foreign Service officers dedicated to reporting and policy advocacy. To leverage these officers' efforts, the chargé chairs an hourly session each week to analyze important political and economic issues with LES and direct-hire representatives from most agencies at post. The chargé uses this meeting to combine input from all sections and agencies to improve the mission's overall understanding of developments and to focus mission advocacy and reporting. Other agencies told OIG that these meetings improve interagency coordination. This meeting also provides the framework for the LES political and economic/commercial assistants to gather information and prepare draft reporting. These weekly sessions are a best practice and the military program assistant and self-help assistant should also participate in them.

Officials from S/GAC announced at the May 2005 annual meeting that embassies in nonfocus countries receiving over \$10 million in PEPFAR funding face new coordinating and reporting requirements. At the post's initial coordination meeting, convened by U.S.-based USAID and CDC program experts who had attended the planning conference, Department officers noted that, other than receiving an invitation to attend the annual meeting the previous week, they still had not received any S/GAC guidance on requirements or resources. OIG plans to explore with S/GAC its plans for providing guidance to embassies in the five countries receiving over \$10 million in PEPFAR funding.

As described earlier, Embassy Lilongwe has effectively seized the opportunity to advance economic reform and good governance. The mission has coordinated closely with the Malawi government on its MCA plan, but needs to prepare to expend considerable personnel resources to support the plan, given Malawi's uncertain political environment and challenging economic circumstances. At the time of the inspection, the embassy did not have clear guidance as to MCA policy or the program and operational requirements of the Millennium Challenge Corporation, the Department, or USAID. OIG will explore these requirements with these agencies' headquarters.

For the past year, Embassy Lilongwe has had separate political and economic/commercial units that were supervised by the chargé. The embassy split the political/economic section in July 2004 because as an untenured employee, the incoming economic/commercial officer could not supervise another officer. After the Diplomatic Readiness Initiative (DRI) first-tour political officer departed in September 2004, the political unit included a less-than-half-time consular/political first-tour officer and an LES political assistant. A new DRI officer was assigned to serve from the summer of 2005 to the summer of 2007. The embassy plans to include political work and day-to-day PEPFAR and Global Fund coordination in the portfolio of this first-tour officer, who was expected to arrive on the last day of the inspection. The now-tenured, second-tour, economic/commercial officer leads a unit that consists of an LES economic/commercial assistant and an EFM self-help coordinator. The units are occasionally augmented by a Department-assigned temporary intern, as was the case during the inspection.

As described in the Consular Operations section of this report, the Bureau of Consular Affairs has announced it will establish a consular associate replacement position (CARP) at Embassy Lilongwe that will probably be filled in the summer of 2006. OIG informally recommended that, after the CARP is assigned, the embassy reprogram the current consular/political position to a political/economic position. After the summer 2007 departure of the DRI first-tour officer, this reprogramming

would leave the embassy with two reporting officers in the political/economic section, which may be sufficient after the surge of PEPFAR and MCA-related work.

There is commitment and close teamwork among the economic/commercial and political unit staff. Communication within and between the units, and with the executive office, is easy and frequent. However, the post must find ways to function more resourcefully to cope with the significant increase in workload from PEPFAR and MCA. OIG informally recommended that the embassy reconstitute the political/economic section, headed by the economic/commercial officer. To coordinate the section's work more efficiently, OIG also suggested that the section begin holding a weekly organizational meeting with all staff, augmented by the LES military program advisor. Officers and LES may want to consider developing specific objectives and activity plans to provide a clearer structure to enhance LES productivity. Allocating some representation funds to the LES would enhance their contact development. Finally, the section may find it useful to hold regular meetings with the deputy chief of mission.

In FY 2005, the economic/commercial unit received \$92,000 in self-help grant funding, and the political unit received \$85,000 in democracy and human rights funds and \$18,000 in economic support funds for programs to combat trafficking in persons. As elsewhere in the region, the embassy's self-help grant coordinator and the LES political and economic/commercial assistants said they would be more effective with additional training. OIG encouraged these employees to reach out to their counterparts in southern Africa to determine whether there is interest and funding to arrange training in the region. As an interim measure, OIG suggested that they create e-mail distribution lists and hold occasional telephone conversations until digital, video teleconferencing becomes more available. OIG commended Embassy Lilongwe for its plans to participate in a pilot project to improve biographic files, including making them available electronically. Political and economic files are in working order.

MILITARY PROGRAM

Embassy Lilongwe's LES military program advisor oversees a FY 2005 budget of over \$1.4 million: \$360,000 in international military education and training funds, \$500,000 in foreign military financing, \$230,000 in Department of Defense HIV/AIDS programs, and \$310,000 in defense humanitarian assistance. The LES

advisor is not integrated into the work of either the political or economic/commercial unit, but has been loosely overseen by the chargé since the summer 2004 departure of the DRI political officer. The Office of Defense Cooperation at Embassy Gaborone, Botswana, is responsible for the advisor's Office of Defense Cooperation efforts. Meanwhile, the Defense attaché in Harare, Zimbabwe, provides diplomatic support to Malawi. Both the Office of Defense Cooperation in Gaborone and the Defense attaché in Harare travel to Lilongwe infrequently, however. OIG observed that the advisor needs greater support to resolve long-standing issues. In addition to working more closely with the embassy's political/economic section, OIG strongly encouraged the advisor to schedule and hold weekly telephone conversations with the Office of Defense Cooperation and the Defense attaché. Although these offices say they are willing to provide greater assistance to the advisor, it is cumbersome and inefficient for the advisor to coordinate with three entities, the embassy, Office of Defense Cooperation, and the Defense attaché. In addition, increased U.S. military involvement in Malawi might help the embassy advance its military and defense-cooperation priorities. These priorities include those of the African Contingency Operations Training and Assistance program, a U.S. partnership with African militaries that strengthens peacekeeping and peace enforcement skills. Thus, it would be more efficient and effective to combine into one regional Defense attaché office the two defense-oversight functions.

Recommendation 2: The Bureau of African Affairs should work with the Department of Defense, Defense Intelligence Agency, and European Command to identify one regional defense attaché office to provide Office of Defense Cooperation and Defense attaché support to Embassy Lilongwe. (Action: AF)

PUBLIC DIPLOMACY

The PAS has one American public affairs officer (PAO), and ten LES positions. There has been a high turnover of staff in the last two years due to retirements, separations, and one death. Thus, most of the LES are new to their positions and to U.S. employment. The PAO arrived in August 2004 and devoted considerable energy to bringing the PAS up to performance and regulatory standards. The section runs smoothly and professionally and is performing a wide range of activities in support of MPP goals for all agencies at the mission.

Facilities

The PAS offices are in a 600-square-meter, leased office on the first and second floors of a general-purpose building that is a few minutes' drive from the chancery compound. The Department has plans to relocate PAS to a more secure area in the USAID building, and the renovation of that area for the PAS is underway. Once finished, that space will be used to house chancery occupants during the renovation of the chancery. The PAS will occupy its present quarters in the Old Mutual Building until the chancery renovation is complete. The PAS believes the new space in the USAID building will reduce its accessibility and program outreach capability. The new space is approximately the same size as its present quarters, but the usable space is less and the public access areas will be smaller. In addition, the auditorium and information resource center (IRC) will be much smaller.

Public Diplomacy and the Mission Performance Plan

The PAO was actively involved in preparing the MPP, particularly the goal paper on international public opinion. Public diplomacy activities are included throughout the MPP, including publicizing events, increasing exchange program nominations to address MPP issues, providing training and assistance, and educating decisionmakers. The PAO provided linkages to the public diplomacy goal paper and made substantive comments to other goal papers.

Cultural Activities, Speaker Programs, and Exchange Programs

The PAS conducts cultural activities associated with Black History Month and other events, such as a writers' workshop, when the opportunity occurs. In line with the limited resources, the cultural events, which are generally not closely linked to MPP goals, are not highlighted in PAS work and occur only occasionally.

The PAS has an active speakers' program that supports constituencies in achieving MPP goals by bringing to Malawi speakers on such matters as HIV/AIDS, biotechnology, and other areas. In addition, the Black History Month activities included films, a quiz competition, musical performances, and lectures.

Embassy Lilongwe has active and successful exchange programs and had nine Fulbright participants in 2005 and two Hubert Humphrey fellows. The PAS has eight international visitor exchanges and has approval for three more above the normal allotment. There is wide mission participation in identifying and selecting

candidates for the various programs. The PAS monitors exchange program returnees, inviting them to speaker programs and tracking them in the contact database. There is no Fulbright commission in Malawi.

Educational Advising

The educational advisor position at Embassy Lilongwe has been vacant for several months. In January 2005, the IRC technician took over the educational advisor duties on a half-time basis and began providing information and services. A possible strong EFM candidate for the educational advisor position will arrive in August 2005. In the meantime, the PAS continues to offer entrance exams, provide counseling, and place students in U.S. colleges and universities. The PAS hopes to use the two American Corners that are collocated with universities in Malawi as platforms for educational advising.

Grants

In past years, the PAS grant program has been misused. The PAS did not link grants to MPP objectives and did not require grant reports. When reports were specified, it did not solicit them. OIG found grants that were not signed by the grantee and grants where the amount of funding provided did not match the amount in the grant. At different times, the PAS has written grants for the donation of excess property and for purchasing property to be donated. Under the current PAO, the grant procedures have improved, and the PAS is writing clearer grants and including documentation in the grant files. OIG counseled the PAS staff to link grants to MPP goals and to tailor requirements for grant reports to the type of grant being provided. OIG and PAS employees also discussed the appropriate purposes for grants.

The Department has not provided general written guidance on grants to public affairs sections, including the purposes for which they are to be used, the manner in which they are to be formulated, how grants are to be linked to the MPP, and other procedures. At Embassy Lilongwe, OIG identified several grants that did not fit the traditional pattern. In the absence of written guidance to the field, OIG brought these grants to the attention of Washington offices but took no further steps because of the lack of clarity on how grants should be awarded. One grant (04-1305) was for \$22,618 for the purchase and donation of a transmitter and decoder to a local radio station, along with authorization to rebroadcast Voice of America programs. OIG believes that this use of the grant mechanism is inappropriate. A second grant (04-066) was to USAID for \$25,000 to finance health and

accident insurance for Lakeland College scholarship program participants. The PAS is no longer preparing grants for expenses for the Lakeland College program, and OIG concurs with the discontinuation of this assistance. The use of grant funds to support the Lakeland program was insufficiently related to MPP goals. In discussions in Washington following the inspection, Department officials stated their intention of providing grant guidance to posts.

Information Resource Center

The Embassy Lilongwe's IRC, formerly a lending library, is now a well-used electronic information center. The PAS has upgraded its Internet access and expanded from three public-access computers to 13. The size, ease of access, and location of the IRC next to government, parliamentary, and business offices make the IRC a key information and cultural institution in Lilongwe. The IRC hosts regular Internet research training sessions for government officials and other groups.

The regional information resource officer said that she was impressed with the many positive changes in the PAS that she saw during her March 2005 visit. She identified the IRC director's development of several PowerPoint presentations for Internet training and his generation of an extensive list of contacts as notable achievements. She also praised the professional development of employees; most are relatively new.

The IRC, while conducting a number of popular programs, has not tied its activities as closely to the MPP as it could. For example, in April 2005, the most numerous users in the IRC were from the general public, outnumbering other participants, such as government officials and members of parliament by over seven to one. The excellent statistics kept by the IRC staff show that, in 2004, business people and students were by far the majority of patrons, well ahead of media personnel, academics, police and defense officers, and government and political leaders combined. Thus, in spite of both electronic and in-person outreach programs, the PAS has not yet brought its highest priority target audiences into the IRC in large numbers. OIG encouraged PAS employees to continue implementing outreach programs to bring IRC usage into alignment with MPP goals.

The IRC collects money from Internet users, charging 100 Kwacha¹ for each 30 minutes of time. The individual collecting the money does not always give receipts when accepting money and has no accurate record of how much is collected. The IRC staff turns the money over each day to the public affairs clerk, who signs for what he receives but does not keep further records. An OIG review of the clerk's cash box revealed several envelopes of money, but the public affairs clerk was unable to account for the sums. When the amount he has on hand reaches 5,000 Kwacha, he deposits the money with the Class B cashier. (b) (2)(b) (2)

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OIG discussed appropriate money-handling procedures with PAS employees, including the preparation of receipts for funds collected, proper accounting methods, and procedures regarding storage of funds. Because the amounts of money did not appear to be large and because the PAS employees immediately implemented better tracking and storage procedures, OIG did not make a formal recommendation but left informal guidance on this matter.

Press Section

Embassy Lilongwe maintains good relations with Malawian media, and the PAS has been able to use media relations effectively. The two employees in the information section were hired in 2003 and 2004, and, despite their recent association with the embassy, received high marks from the chargé on their contributions during staff meetings and their knowledge of Malawian issues and contacts. The PAS has been successful in obtaining positive media coverage of U.S. activities in Malawi and has, when necessary, responded to negative media portrayals and misinformation. Due to Malawi's literacy rate of around 20 percent and the lack of widespread English speaking ability, the PAS often uses radio broadcasts in local languages to present its messages.

¹At the time of the inspection, the exchange rate was one U.S. dollar to 115 Kwacha.

American Corners

Embassy Lilongwe has established three American Corners in different areas of Malawi. These are in Zomba at the University of Malawi, in Mzuzu at Mzuzu University, and in Mangochi at the Malawi Children's Village. The PAS closed a fourth American Corner at the National Library in Blantyre following the theft of two computers and the lack of public access to the Corner. The PAS is pursuing the possibility of another American Corner in Blantyre, the largest city in Malawi, but has not found an appropriate host/partner. The American Corners will help the PAS reach target audiences in these more remote regions, advance MPP goals, and build important goodwill.

The PAO structured the memoranda of understanding for the American Corners so that the U.S. government retains ownership of all equipment and materials. The PAS is also responsible for providing programming materials, providing and maintaining the computer networks, and training staff. The host institutions provide space, utilities, staff, Internet connectivity, and security. The PAS's American Corners strategy requires an ongoing commitment of resources for the items mentioned and for the maintenance of equipment, although the latter is not spelled out in the memoranda of understanding. The PAS, for example, provides the services of its public affairs clerk on a part-time basis for the maintenance of the computers and provides needed parts and some supplies. In addition, as long as the equipment remains U.S. property, the PAS must maintain adequate inventories. At other posts, the PAS has found it must replace at least some broken or out-dated equipment to ensure continued American Corners services and information access for patrons and this is likely to be true in Malawi. The long-term resource demands of the American Corners on the PAS have not been estimated. Although OIG did not leave a recommendation to this effect, it believes it would be wise for the PAS to calculate what the one-year and/or five-year amounts for these costs will be, so that adequate provisions can be planned.

The PAO adopted an innovative "computer salvage" policy for equipping the American Corners and relocated over 50 computers for this purpose from excess embassy equipment that was intended for auction. In addition, the American Corners are recycling funds from Internet usage and printing that will cover expenses at the Corners and help pay the universities' bandwidth charges. The PAS used a grant to give four satellite dishes to the Malawi Library, providing them with Internet access and electronic database services. Through this project, the grantee agreed to provide American Corners in Mzuzu, Zomba, and Blantyre with free Internet access for four years.

CONSULAR OPERATIONS

The one consular officer, who is also a political officer, does a remarkably efficient job of providing the full range of consular services. Although the workload is not great, she is assisted by only one LES and a consular associate. Spending only half of her time on consular work, she has done as well as can be expected on planning, outreach, and management. However, a full-time consular officer is needed to provide more complete oversight of the section and to more fully cover the noncustomer service aspects of consular work, such as antifraud, disaster planning, and developing contacts. The chargé d'affaires sees the consular officer frequently throughout the day, keeps abreast of consular issues, oversees implementation of the visa referral policy, and reviews the consular officer's visa decisions. The consular officer actively participates in the MPP process and is included in all appropriate law enforcement and counterterrorism meetings.

Staff

The one LES in the section, who has 11 years of consular experience, is sufficient for the workload, and his back-up person is the management officer's secretary, who also has extensive consular experience. The entry-level consular/political officer is assisted by a full-time consular associate. The Department informed the embassy in May 2005 that it is listed to receive a CARP. The current, half-time, consular officer can handle customer services and emergencies but has had little time for extending contacts with officials and resident Americans, preparing plans, or focusing on antifraud and border security issues. In addition, there is not adequate supervision of the LES throughout much of the day. The workload is not projected to increase, but a full-time consular officer should allow Embassy Lilongwe to process Malawian diversity visa cases, which are now handled by Embassy Harare. The optimum officer staffing for the consular section would be one full-time consular officer filling the CARP. In that case, the current consular/political position could be reprogrammed, as is discussed in the Rightsizing section of this report.

Space

The consular work area is adequate, but there is no room for expansion. The officer has good line-of-sight from her office, but the interview window and cashier/LES window situations are awkward at best. The officer has to use the embassy receptionist booth during interview hours, and applicants have no privacy during their interviews. In addition, the cashier area is not enclosed. The embassy

and OBO are considering a chancery renovation that would include changes in the consular section that address these shortcomings. Should that plan fall through, OIG advised the embassy to consider remodeling the consular section in its current location or moving the section to the building used now as the mailroom.

Management

The consular officer spends only half of her workday in the section, leaving the LES unsupervised for much of the day. The officer, however, is always present when the cashier is open or when controlled items are out. She has prepared the requisite standard operating procedures and monitors data entry to reduce the error rate. She has held two "visa information days" and placed articles in the local media to educate the government and the public about consular procedures. OIG encouraged her to take advantage of embassy public diplomacy resources as much as possible to reduce the number of routine telephone inquiries.

Visa applicants entering the embassy compound are first screened by an embassy employee at the front gate, who checks to see if they have applications and proper photographs. This screener, who is not a consular section employee, has no written guidelines. OIG informally recommended that the embassy provide the screener with written instructions defining the limited circumstances under which a visa applicant can be turned away.

Visas

The consular section does not use an appointment system for nonimmigrant visa applicants because there are only an average of 30 each week. Internet access is not available to most Malawians, so use of the electronic visa-application form is rare. The number of nonimmigrant visa applications is still lower than in 2001 and should not increase noticeably unless Malawi's economy improves.

OIG found that the visa information sheet given to applicants requests them to bring in documents, such as job letters and bank statements, to support their applications. The consular officer and LES told OIG that such documents are unreliable in Malawi. Although the consular officer does not appear to rely on these papers in making her decisions, OIG informally recommended that the embassy request only the documents required by specific visa regulations and that it make visa decisions based on interviewing the applicant.

Because Embassy Lilongwe has only a part-time consular officer, Embassy Harare processes diversity visa cases from Malawi. Approximately 30 Malawians each year are selected under the program, but only about ten actually apply. Embassy Lilongwe already processes regular Malawian immigrant visas, and the consular LES said the small number of diversity visa cases would not burden him. OIG informally recommended that, if Embassy Lilongwe gets a full-time consular officer, the embassy should work with the Bureau of Consular Affairs and Embassy Harare to transfer authority for Malawian diversity visa cases to Embassy Lilongwe.

American Citizens Services

There are about 700 resident Americans registered with the embassy. The consular associate keeps the database current by contacting each registrant by e-mail. The warden system is set up to take advantage of the fact that virtually every American resident in Malawi is connected with a church or another organization or with the U.S. government. As a result, emergency messages are disseminated to individual registrants and to organizational contacts. OIG found this to be very effective.

The consular officer has an action plan, as outlined in the Disaster Assistance Handbook, but the consular section does not have a complete understanding of how the government of Malawi would respond to a disaster involving American citizens and what assistance the government would need from other countries. In addition, the consular officer does not know the key people in the government and private sector who would handle such a crisis. OIG informally recommended that the embassy expand the disaster assistance plan to cover those areas.

Fraud Prevention and Border Security

The embassy uses the monthly Visas Viper meeting to discuss counterterrorism issues and share relevant information. The consular officer said she is sufficiently informed to carry out her border security responsibilities. She and the regional security office's investigator have worked with local immigration and law enforcement authorities on several visa fraud cases. The most serious fraud-related concern in Malawi is identity fraud. Corrupt officials can provide legitimate documents for a false identity. Given the border security implications of this problem and the consular section's limited resources, OIG counseled the consular officer to focus the section's antifraud efforts on identity fraud rather than verifying documents submitted by visa applicants.

RESOURCE MANAGEMENT

Agency	U.S. Direct-Hire Staff	U.S. Local-Hire Staff	Locally Employed Staff	Total Staff	Total Funding ² (000s)
State - D&CP ³	8	2	7	17	736
State - ICASS	4	3	68	75	1,788
State - Public Diplomacy	1	0	10	11	415
State - Diplomatic Security	1	1	9	11	394
State - Representation	0	0	0	0	18
State - OBO	1	0	0	1	297
USAID operational funding	7	6	87	100	2,321
USAID program funding	0	0	0	0	38,000
CDC post-held funds	4	0	13	17	462
CDC - total funding	0		0	0	2,436
Peace Corps ⁴	3	0	24	27	1,600
Defense Security Cooperation Agency (DSCA) operational funds	0	0	1	1	19
DSCA program funds	0	0	0	0	1,400
Totals	29	12	219	260	49,886

RIGHTSIZING

Embassy Lilongwe, with its 29 American and 219 LES employees, is adequately, if not plentifully, staffed. As noted, the embassy will receive a CARP position, enabling it to provide a full-time officer in the consular section. With the reprogramming of the consular/political officer position and the arrival of the one-time DRI position in the political section, there will be three officers in the political

²Does not include funding that is or will be provided to Malawi under the MCA, PEPFAR, and the Global Fund to Fight AIDS, Tuberculosis and Malaria.

³Diplomatic and Consular Programs

⁴Peace Corps has two third-country national employees and 21 employees who are not under personal services contracts.

and economic sections. After the summer 2007 departure of the DRI first-tour officer, the embassy would have two reporting officers in the political/economic section, which may be sufficient after the surge of work to get the PEPFAR and MCA programs up and running.

Embassy Lilongwe has requested a Foreign Service health practitioner (FSHP) position, but OIG does not support adding this position. The post believes that adding an FSHP might reduce the number of medevacs to South Africa, thus reducing the time some staff and families spend away from Lilongwe and, perhaps, requiring fewer American employees to be assigned to Embassy Lilongwe. However, OIG believes that, a similar number of medevacs to other locations would occur, even with an FSHP, because of the lack of adequate local medical care. Further, the addition of an FSHP is not a factor in rightsizing. For further discussion of this matter see this report's Health Unit Operations section.

Embassy Lilongwe is doing a preliminary review of the possible staffing impact of Malawi receiving the anticipated grant of approximately \$20 million under the MCA. USAID, and the Departments of Justice and Treasury, are likely to seek National Security Decision Directive-38 approval for new or additional staff to monitor the MCA and provide technical assistance.

Embassy Lilongwe has not conducted a rightsizing exercise. The USAID mission expects some staff reductions to arise from the worldwide USAID realignment of resources. Should these budget cuts occur, Embassy Lilongwe will have the opportunity to review which administrative services could be shared and to assess Department and USAID staffing in a number of these areas. Shortly before the inspection, USAID and the Department combined motor pool services and were testing how well this shared service was working.

MANAGEMENT SECTION

The management section has a strong customer-service orientation, which is remarkable given the staffing gaps in American positions in the general services office (GSO) and information management section and in many key LES positions. These gaps occurred due to lack of bidders, curtailments, medical evacuations of American staff, and from the resignations, retirements, and deaths of LES. At one point, there was a five-month staffing gap in the GSO, and the facilities maintenance specialist assumed responsibility for both sections. These staffing shortages

have created backlogs in some areas and have left the LES without strong guidance and oversight. The management officer and his staff are providing leadership to correct these backlogs.

The management officer is positive and responsive when dealing with customers and has a common sense approach to providing management services. His success is impressive, as he is serving in an out-of-cone position. He holds weekly meetings with his staff, and section chiefs say these meetings are useful in managing their sections. There is no human resources officer, and the management officer handles these responsibilities with the assistance of the regional human resources officer from Embassy Harare. Under the guidance of both officers, Embassy Lilongwe implemented the computer-assisted job evaluation process, changed the LES pension plan, and weathered personnel changes in the Department offices handling EFM employment.

HUMAN RESOURCES OFFICE

The embassy receives good support from the regional human resources officer in Harare, and the human resources office has experienced, well-trained LES. Although OIG heard complaints from American personnel about the slowness and unresponsiveness of the human resources office, the office is handling some activities well. The handbook for LES is up to date, and a new one was issued in 2004. Evaluations for LES are being completed on time with no backlogs. The LES pension plan is being changed from a deferred benefit plan to a defined-contribution plan that gives the LES personal retirement accounts. The HR office implemented the computer-assisted job evaluation, and 17 positions were upgraded and none downgraded. Embassy Lilongwe has no difficulty hiring local staff and regularly receives more than 200 applications in response to a job announcement.

Embassy Lilongwe initiated an HIV/AIDS working group, led by the LES, focused on training peer educators and counselors. The group has held training sessions on nutrition, stigma, living with AIDS, and volunteer counseling.

VALUE-ADDED TAX

On May 5, 2005, the Malawi Revenue Authority informed all diplomatic missions that the form used to waive the 17-percent value-added tax on goods and services would no longer be accepted. A subsequent diplomatic note from the

Revenue Authority through the Ministry of Foreign Affairs said the value-added tax will no longer be waived on goods and that the tax on services will only be refunded retrospectively. The embassy has not received any value-added tax refunds from the government of Malawi. The embassy has informed the Department's Office of Foreign Missions and is working with that office to enact reciprocal action, such as removing the point-of-sale tax exemption for Malawian diplomats in the United States. The management officer is also discussing this issue with personnel of other diplomatic missions in Malawi to determine whether a group approach would be helpful.

FINANCIAL MANAGEMENT OPERATIONS

Management of the financial section received a good score on the OIG questionnaires. The first-tour financial management officer has spent significant time reinstating management controls that had become lax. Upon her arrival, she found that the section was not doing routine maintenance of prior-year accounts, did not have standard operating procedures, and had several years of unreconciled and outstanding accounts receivable. The financial management officer and staff have resolved some of these issues, but more work is needed, and OIG made informal recommendations addressing financial management issues.

Scores for cashiering services and travel-voucher processing on the OIG questionnaires were lower. In questionnaires and interviews, staff expressed dissatisfaction with these administrative services. Complaints about cashiering services are partially due to U.S. dollar restrictions. OIG found the embassy's accommodation exchange policy to be appropriate, given the limited supply of foreign currency available in Malawi.

The financial management section has had problems with processing travel vouchers within established ICASS standards. The financial management officer responded to this deficiency by tracking the number of days it takes to process travel vouchers and instituting procedures to reduce processing time. When the voucher examiner responsible for the preparation and audit of travel vouchers receives travel policy training, tentatively scheduled for the fall of 2005, voucher-processing time should be further reduced.

One of the Bureau of African Affairs' Paris-based financial management rovers reviewed financial management operations in March 2005 and identified management control weaknesses in funds control, vouchering, and accounts receivable. Some reported deficiencies have been corrected, but others are still being resolved. A site visit by one of the Paris-based cashier rovers, meanwhile, disclosed some procedural deficiencies that have been corrected.

INTERNATIONAL COOPERATIVE ADMINISTRATIVE SUPPORT SERVICES

ICASS staff provides comprehensive management services to the Department, CDC, and the Department of Defense. The management services are less integrated for USAID, which provides its own administrative support. The embassy has taken preliminary steps to eliminate some duplicative services performed by both ICASS and USAID providers. The offices analyzed whether there would be savings from eliminating duplicative motor pool services and found that a net cost savings of \$300,000 would result if motor pool services were combined. Additionally, some preliminary research and analysis were conducted on combining warehousing. OIG and the mission believe there is more scope for sharing of inter-agency services.

Recommendation 3: Embassy Lilongwe should conduct an analysis of services now provided separately by the Department of State and the U.S. Agency for International Development and determine if continuing them would result in cost savings. If savings are found, the consolidation should be implemented as appropriate. (Action: Embassy Lilongwe)

GENERAL SERVICES OFFICE

The GSO is supervised by a first-tour officer who inherited a myriad of issues that were backlogged for several years. Although the officer has been in Lilongwe for only three months, she is improving GSO performance and procedures. She practices good customer service and works closely with all administrative sections and other agencies. OIG made formal recommendations regarding the GSO in the Management Controls section of this report as well as some informal recommendations.

Procurement

The LES procurement supervisor, hired in January 2005 after a ten-month staffing gap, inherited a long list of procurement-related problems. To reinvigorate the procurement section, he identified procedural problems and implemented corrective action. The supervisor and American managers are also addressing poor performance by some staff members, using letters of reprimand and the disciplinary process. The supervisor also stresses to staff the importance of providing good customer service and monitors staff performance accordingly. OIG made several informal recommendations in this area.

Motor Pool

The Department and USAID have completed initial merging of motor pool services, with USAID as the service provider. An interim memorandum of understanding between the agencies preserves the preexisting motor pool standards and vehicle policies. A joint motor pool policy has been developed and will be implemented after the merger is completed and the ICASS council grants its approval.

Acquisition Plan

Embassy Lilongwe does not have a formal, effective plan for end-of-year spending. In FY 2004, the embassy returned to the Department \$47,000 in program funds and over \$9,000 in public diplomacy funds, money that could have procured needed supplies and equipment.

Recommendation 4: Embassy Lilongwe should develop an acquisition plan that includes an end-of-year spending plan. (Action: Embassy Lilongwe)

Procurement

There were several incidences of unauthorized procurement commitments in the GSO. Embassy Lilongwe ordered services to be performed before a contract had been issued, for instance. In all cases, the procurement unit received invoices under \$1,000 that did not have appropriate documentation. The management officer ratified all unauthorized procurements and issued an administrative notice in February 2005 on unauthorized commitments. OIG left informal recommendations to strengthen procurement controls.

Renovation Projects

The embassy is currently overseeing a renovation of leased space in the USAID building that will provide new space for the PAS. This project began in November 2004 and is scheduled to be completed in August 2005. At the time of the inspection, the contractor was awaiting specifications for the doors from OBO.

Embassy Lilongwe and OBO are also engaged in the proposed renovation of the chancery, for which OBO has committed \$9.96 million.⁵ OBO states in the master plan for FY 2005 to 2010 that Embassy Lilongwe is in line for a renovation project of the chancery and all other buildings, a project that will include heating and air conditioning, office space design, and attention to security issues. A design team from OBO visited the post in January 2005 and reviewed the site, but did not leave a detailed plan for the renovation. Embassy Lilongwe personnel say the proposed design corrects deficiencies in the chancery but does not provide additional security for offices currently on the perimeter - the health unit, a warehouse, maintenance offices, and the administrative annex - an arrangement that was part of the original long-range plan.

This renovation should proceed but it should include a master space plan to correct deficiencies on the perimeter and at the administrative annex. Such a plan could include acquisition of or control over the vacant land that is owned by the Egyptian government and adjacent to the compound. Embassy Lilongwe will need a new embassy compound, but such a project is many years away. In the interim, the renovation should improve space, replace the HVAC systems, remove asbestos, expand the information processing center, and address some security issues.

Recommendation 5: Embassy Lilongwe should request, and the Bureau of Overseas Buildings Operations should approve and develop, a master space plan that includes funding for possible site acquisition or control adjacent land and the renovation of the chancery, the perimeter buildings, and the administrative annex. (Action: Embassy Lilongwe, in coordination with OBO)

⁵This cost includes \$4.1 million for the renovation, with the remainder for site development, value-added tax, technical site security, and personnel costs.

Facilities and Maintenance

The facilities maintenance specialist, an experienced officer who has often taken on the supervision of the GSO section, supervises 24 employees. In FY 2003 the embassy received \$1 million for a "wellness" project and used the funds to remove asbestos in roofs, replace kitchen and bathroom floor tiles, insulate attics, pave driveways, construct a new fuel station, replace water pipes, and perform safety upgrades at the warehouse. In addition, the chancery parking lot was expanded, and GSO offices were renovated.

At the time of the on-site inspection, the facilities maintenance specialist was beginning the annual inspection summary for fire and life-safety matters. The last review was completed in 2004 by OBO, and the embassy is updating the post compliance and fire and safety checklist. There was no documentation available to show that annual inspection summary surveys were conducted in prior years.

The last asbestos management plan was completed in FY 2000, and asbestos is still present in the chancery and administrative annex. The post is gradually resolving the asbestos issues, and OIG informally recommended updating the asbestos management plan.

Embassy Lilongwe has a safety, health, and environmental management committee whose charter was signed by the chargé d'affaires, management officer, and the facilities maintenance specialist. In an administrative notice the embassy announced the formation of the committee and how it will function. OIG informally recommended reviewing and revising the cleaning schedule for the chancery, administrative annex, and outlying buildings to eliminate delays caused by American staff who request that cleaning be done at other times.

OIG's on-site review of the real property inventory, which includes all government-owned residences, found the government-owned properties have benefited from the wellness project. There had been renovations of bathrooms and kitchens, roofs, and some perimeter walls. OIG informally recommended reviewing the size of residences; otherwise, the real property application was correct. The interagency housing board meets as needed, and the Housing and Maintenance Handbook was revised in January 2004.

INFORMATION MANAGEMENT AND INFORMATION TECHNOLOGY SECURITY

Embassy Lilongwe's information management office meets the needs of the 94 users at the embassy compound and the PAS office and provides regional systems support to Embassy Luanda while meeting most Department information management and information technology (IT) security guidelines. The IT staff follows the majority of the Department's guidance for information management, including those for records and configuration management, mailroom and telephone operations, and inventorying assets. However, OIG provided the post with several formal and informal recommendations to address issues pertaining to facilities, training, and managing the overseas dedicated Internet (ODI) local area network in the PAS. Also, OIG found weaknesses and recommended actions to ensure that post's unclassified and classified networks remain secure. Specifically, these recommendations address patch-management procedures, implementation of the information systems security officer (ISSO) program, IT contingency planning, and security configuration management.

The embassy's IT environment includes 81 workstations and 16 servers on the unclassified network, 11 workstations and three servers on the classified network, 22 workstations and three servers on the ODI network, and six standalone workstations. Standard Department software and locally approved applications are installed on workstations and servers.

Information Management

With the exception of mail services, the information management office, which is authorized seven LES and an information management specialist, received high customer service marks on the OIG questionnaire. Unfortunately, American staff morale is negatively affected by Malawi's undependable mail system and the general lack of available services. OIG found that Embassy Lilongwe effectively exploits IT resources to compensate for the poor services. For example, all embassy management staff members have a Department telephone extension in their homes with international voice gateway access to facilitate telephone calls to other embassies and the Washington, DC, area. This use of technology to improve the quality of life for American employees and family members is commendable, but management must ensure that its expenditures are appropriate and long-term operations and maintenance costs are included in its budget. OIG found several areas needing improvement in the information management office and has provided recommendations to address these issues.

Overseas Dedicated Internet Local Area Network

The IRC's ODI network provides Internet access to members of the public who do not have access to the Department's OpenNet Plus network. PAS staff members also access this network to use software that is not on the embassy or Department's unclassified network. Many staff members have two workstations at their desks, one for OpenNet Plus and the other for IRC ODI network access. The information management officer requested the necessary waiver from the Bureau of Information Resource Management in July 2004 and is still awaiting a decision to operate this network. OIG believes that PAS should use the OpenNet Plus workstation for its software and multimedia needs and that having a second workstation at each staff member's desk is an unnecessary duplication that circumvents the intent of the Public Diplomacy-OpenNet Plus network merger in 2004. Also, having the second workstation adds unnecessary lifecycle maintenance and replacement costs. OIG made an informal recommendation to cover these issues.

Position Descriptions

The information management office position descriptions for the LES working on the unclassified network do not specify their responsibilities to ensure network security. Although the LES computer management assistant position descriptions specify that the employee must adhere to the Bureau of Diplomatic Security configuration guidelines for workstations and servers, the position descriptions do not state that the incumbent must follow all Department automated information systems security requirements, as specified by 12 FAM 621. Also, the position description for the LES assigned to design the embassy's Internet and Intranet web sites does state that the employee must design the web sites using Section 508 of the Rehabilitation Act guidelines. OIG addressed this in an informal recommendation.

Training

Embassy Lilongwe has done a good job of making certain that the LES receive the latest technology training to manage the post's unclassified network, but the Department has not ensured that the information management officer has received necessary training. The information management officer must oversee the unclassified network and administer the classified network but has not received technical

training on the embassy's operating system and application software. The last technical training the information management officer attended was in 1998 for Microsoft Exchange, and OIG found the information management officer lacks the adequate fundamental training for the newer technologies that is needed to support the post's networks.

Recommendation 6: Embassy Lilongwe, in coordination with the Bureau of Information Resource Management and the Bureau of African Affairs, should ensure that the information management officer attends the necessary training to effectively manage both the unclassified and classified networks. (Action: Embassy Lilongwe, in coordination with IRM and AF)

Facilities

OIG is concerned with the physical attributes of the facilities of the information management section and the information management requirements of newly renovated space. The air conditioning in the information processing center is not functioning properly, and efforts by a local contractor to fix the system have been unsuccessful. OIG suggested that the embassy seek assistance from OBO.

The regional computer security officer conducted a computer security assessment in August 2002 and found a physical security weakness that embassy management should address as it plans the renovation of the chancery building. The unclassified network servers and the systems staff workspace are commingled without partitions or separations, which increases the risk of accidental network disruption. This also creates an environment in which the temperature is conducive for network operation, but not staff comfort, during the workday. Current building constraints prevent a separate location.

Recommendation 7: Embassy Lilongwe, in coordination with the Bureau of Overseas Buildings Operations, should ensure that the chancery renovation plans include a separate location for the unclassified network components and a systems staff work area. (Action: Embassy Lilongwe, in coordination with OBO)

INFORMATION TECHNOLOGY SECURITY

Embassy Lilongwe's information management office has done a good job implementing the Department's configuration settings on most workstations and servers but has not sufficiently ensured the overall security of the networks. The staff has corrected the majority of the deficiencies reported by the regional computer security officer in August 2002. However, OIG is including recommendations in this report to improve the implementation of the ISSO program, patch management, IT contingency planning, and systems configuration management.

Information Systems Security Officer

The primary ISSO for the embassy's networks is the regional security officer, and the alternate ISSO is the information management officer. OIG found that, over the past three years, ISSO duties have not been performed as required. According to the regional security officer, his regional security activities preclude him from performing most ISSO duties. As ISSO, he has followed up on Computer Incident Response Team inquiries and on reports of possible network abuse by systems staff and supervisors. However, he has not reviewed audit logs, checked the unclassified network for classified processing, or performed any other of the required tasks. OIG noted that when a newly hired information management specialist arrives at post, the primary and alternate ISSO designations could be shifted to the information management office and the separation of responsibilities could occur between the unclassified and classified networks.

Recommendation 8: Embassy Lilongwe should designate primary and alternate information systems security officer responsibilities within its information management office, providing for separation of responsibilities between the unclassified and classified networks. (Action: Embassy Lilongwe)

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Contingency Planning

OIG found that the IT contingency plan for the unclassified network was incomplete and had not been integrated into the post's emergency action plan. OIG informally recommended that the information management officer revise the IT contingency plan and include the completed plan in the post's Emergency Action Plan.

Systems Configuration Management

The workstations on the classified network do not adhere to the Department's 20-minute lockout policy. The Bureau of Diplomatic Security operating systems configuration guidelines require that all workstations lock a user out after 20 minutes of inactivity, requiring that the user log in again with his or her password. The information management officer has used the operating system image provided by the Department but is unable to make the lockout feature work. During the inspection, Embassy Lilongwe contacted the Bureau of Information Resource Management's InfoCenter for assistance with this problem.

QUALITY OF LIFE

MORALE

Morale at Embassy Lilongwe is good, and employees say Lilongwe is a pleasant and quiet place to live. Their concerns included the extreme poverty and ill health of many Malawians, and the lack of adequate local medical care. (b)(2)(b)(6)

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In FY 2004, Embassy Lilongwe was granted a 20 percent differential, an unusual circumstance for a post with a three-year tour of duty. The embassy is considering a change in its TOD from three years to two, with one rest and recuperation, hoping it can attract more bidders. The embassy is developing a request for the change and will present as support the isolation of Malawi, the lack of medical facilities, the prevalence of communicable diseases and poor sanitation, and the lack of recreational facilities and essential services. The Bureau of African Affairs has indicated support for the request, and OIG believes the change will bring the embassy's tour of duty into conformance with those of other posts with 20 percent differentials.

Recommendation 10: Embassy Lilongwe should formally request, and the Bureau of African Affairs should approve, a change in the post's tour of duty from three to two years, with one rest and recuperation visit. (Action: Embassy Lilongwe, in coordination with AF)

COMMUNITY LIAISON OFFICE

Embassy Lilongwe has one community liaison office coordinator, who works 20 hours per week, provides sponsors for newcomers, and holds an orientation session for newly arrived personnel. She had been working for six weeks at the

time of the inspection and had not received training. The coordinator does not yet have a Top Secret clearance but has made the appropriate applications. She participates in a number of meetings and committees. There is a second half-time, unfilled, coordinator position, and there were no applicants the last time the position was announced.

All family members who applied for jobs at Embassy Lilongwe are working, five inside the embassy and two in the community. There is a bilateral work agreement between the United States and Malawi.

INTERNATIONAL SCHOOL

The (b) (6)(b) (6)(b) (6)(b) (6) in Lilongwe has 674 students, 48 of them Americans and 19 children of official American families. (b) (6) provides an International Baccalaureate diploma and is accredited for grades K-12. The Department provided an administrative grant of \$27,500 to (b) (6) in FY 2005, along with security upgrade grants totaling \$136,000.

OIG heard negative comments from some parents about (b) (6), including complaints that it had an authoritarian atmosphere, that there were no books in the classrooms, that teachers did not respond to parental requests for information and meetings, that school fees for non-Malawian tax-paying students were too high. Other criticisms were that teachers lacked a "politically correct" approach and publicly discussed the progress of students and that the school lacked adequate facilities and did not invest in upkeep. As a result of several incidents at the school, some parents removed their children and enrolled them at the (b) (6) (b) (6)(b) (6)(b) (6) (6). Other parents told OIG that they had no problems with (b) (6), and that their children were happy there. At the time of the inspection, there were five official American students at (b) (6), a number that had grown slightly over the 2004-05 school year. In the fall of 2005, the embassy expects that 16 students will register at (b) (6) and six at (b) (6). The parents of an additional child requested enrollment at (b) (6) for the fall of 2005, and the child is on a waiting list. The Department will provide (b) (6) with a security grant of \$15,000 in Phase III of the security upgrade program. (b) (6) is not eligible for administrative grants because it is a (b) (6)(b) (6)(b) (6) .

(b) (6) officials said there were some problems with the parents of official American students, who often have different expectations than those held by the director and teaching staff. The (b) (6) officials said that occasionally the school did

not receive advance information about students with special needs and that parents insisted on facilities and instruction that were not available. (b) (6) reported that parental attendance at school events was not good.

Although the transfer of students from (b) (6) to (b) (6) is not large enough to be a strong trend, it is sizable enough to concern the embassy and (b) (6) officials. Before the inspection, the embassy held at least one session where parents and the school director discussed their issues. However, there was no consensus that the meeting led to improved communication.

OIG believes the situation is salvageable and that a number of steps could be taken to improve relations between the school and the official American parents. OIG suggested that the embassy take a more proactive approach, holding more meetings and emphasizing the U.S. point of view that the teachers should respond promptly to parental requests for meetings and information. OIG also discussed with embassy officials ways to help improve the status of (b) (6) teachers, who must pay hefty income taxes to the Malawian government.

(b) (6) was a (b) (6)(b) (6)(b) (6)(b) (6) when it became independent. The ownership of the facilities and the land on which the school stands is in question. Although (b) (6) has asked the Malawian government for title to the land, the government has not provided a firm response. Without a deed, (b) (6) is hampered in requesting loans for upgrades to its existing facilities or to build new buildings. (b) (6) initiated a capital development fee in FY 2005 and had a surplus in its operating budget in 2004. It expects another surplus in 2005.

OIG suggested that the embassy take a more active role in the school's attempts to obtain a ruling from the government of Malawi regarding title to the land, perhaps working with other diplomatic and expatriate institutions.

HEALTH UNIT OPERATIONS

Malawi does not have acceptable medical facilities for any type of in-patient care. Every patient requiring hospitalization is medevaced as soon as possible to Pretoria, South Africa, or elsewhere. This happens about six to ten times per year. OIG found that the embassy's health unit does a remarkable job of addressing the American community's needs in this difficult environment; the unit received high ratings in the OIG survey. Operated by one full-time registered nurse and a one part-time registered nurse, the health unit is supported by two Peace Corps doctors and the British High Commission doctor, although there is no formal relationship

with those physicians. OIG found that this arrangement works well and provides the embassy community with adequate nonemergency, medical assistance and the best temporary emergency medical service available in Malawi.

The health unit has a laboratory technician who provides the only reliable laboratory services in Malawi. The embassy allows officials of the British High Commission and their family members to use the services of the lab. OIG understands that the Department is considering approval of this practice, provided the British Embassy signs a memorandum of understanding covering legal liability issues. The embassy is preparing a memorandum for review by the Office of the Legal Adviser.

The health unit is involved in emergency planning and carries the requisite stock of medical supplies, including emergency supplies maintained on the embassy compound. OIG confirmed that the unit properly inventories all controlled medical supplies, monitors medicine expiration dates, and records the disposition of all medicine. The Health and Medical Informational Guide is up-to-date. In addition to seeing about 35 patients per month, the nurses provide first aid training, give immunizations, and assess local health hazards. They provide the community with health education through guest speakers, weekly articles in the embassy newsletter, and an annual Health and Wellness Day held at the Ambassador's residence. This event is open to all embassy employees and includes dissemination of information about the free antiretroviral treatment program for employees and their spouses with HIV/AIDS. The regional medical officer in Pretoria provides strong support via telephone, fax, and e-mail. Either the regional medical officer or a health practitioner visits quarterly. The regional medical technician based in Cairo has also visited.

Embassy Lilongwe has requested an FSHP position. In November 2004, the regional medical officer noted that the post was large enough to justify having at least a half-time provider in the health unit to handle the rotating medical call with the nurses. He suggested that hiring someone locally would be sensible and financially less onerous than waiting for an FSHP to be approved. An FSHP would be able to write prescriptions and provide primary care, including diagnoses. However, the embassy orders from the United States all prescription drugs not already available in the health unit. Also several doctors supporting the embassy provide primary care. While not all of these physicians are obligated to help the embassy community, there is no reason to believe they will not continue to do so. In addition, the embassy could put another resident American doctor on retainer. OIG does not endorse the addition of a health practitioner, as noted in the Rightsizing section of this report.

MANAGEMENT CONTROLS

Embassy Lilongwe submitted the annual certification on the adequacy of management controls on June 28, 2004. The certification, in accordance with the Federal Managers' Financial Integrity Act, verified that the mission's systems for management controls had met with reasonable assurance, the Act's objectives and the Department's internal control directives. The embassy also submitted the certification for the overseas housing program, ensuring it adhered to the policies, procedures, and regulations in 15 FAM 113.2. These include verification that the acquisition and assignment of residential properties meet regulations, that the role of the interagency housing board is appropriate, and that property reports to OBO are accurate. Embassy Lilongwe is up-to-date on the delegation of authority for specific post responsibilities.

The FY 2004 management controls certification disclosed one reportable condition regarding the improper use of the CDC's Blantyre Integrated Malaria Initiative imprest fund. Subsequently, the fund was reconciled by the financial management officer and closed. The certification did not mention the inventory reconciliation issues identified from FY 2001 to FY 2003 and discussed below.

The embassy is preparing its FY 2005 certification. (No annual inventory for nonexpendable and expendable property was done for FY 2005.) If the inventory cannot be reconciled before the FY 2005 certification is due, post management says it will declare a reportable condition in inventory reconciliation. In FY 2004 the nonexpendable inventory totaled \$4.75 million and expendable inventory totaled \$260,142.

PERSONAL PROPERTY

In early 2005, Embassy Lilongwe staff realized that inventory levels reflected on warehouse "bin cards" and in the computer programs did not match the property in the warehouse. The GSO believes the discrepancies are due, in part, to changes in staffing and the loose controls at the warehouse, where laborers issue parts to maintenance staff. The embassy is using summer-hire employees to redo the

inventory and determine an accurate dollar value. OIG concurs with the actions taken to reconcile the inventory, but notes that inventory reconciliation is a historic problem at this post and may have compromised the certification in FY 2004.

From FY 2001 through FY 2003, the annual certification showed a reportable condition in inventory records for expendable and nonexpendable property. Both inventories were inaccurate and out of date, raising serious questions about the effectiveness of management controls. The post could also not reconcile the physical inventories with existing property records. The embassy developed action plans, and the annual certifications stated that the post had made progress in correcting the reported conditions. However OIG could not locate inventory records to assess the outcome of any reconciliation or to verify that reconciliation was completed. The only annual inventory in the post's records was signed August 31, 2004. The annual certification for FY 2004 was signed June 28, 2004, and does not mention any reconciliation issues, although the inventory was not actually completed until two months later. Early in FY 2005, the reconciliation process and the inventory were again called into question.

OIG found no indication of fraud; however, the inconsistent recordkeeping and issuing of property leave the post vulnerable to fraud, waste, and abuse. Embassy Lilongwe does not have a long-term plan to ensure that inventory levels are reported accurately. Such a plan could include establishing stock levels based on usage, developing written policies and procedures, implementing controls for issuing stock, and training staff.

Recommendation 11: Embassy Lilongwe should perform inventory reconciliations for expendable and nonexpendable property in stock and develop a long-term plan to ensure that inventory levels are reported accurately. (Action: Embassy Lilongwe)

Recommendation 12: Embassy Lilongwe should develop and implement detailed procedures for receiving and issuing expendable and nonexpendable property and incorporate these guidelines into the position descriptions of warehouse staff. (Action: Embassy Lilongwe)

FINANCIAL MANAGEMENT OPERATIONS

Embassy Lilongwe is not following Department procedures for maintaining and monitoring post accounts. Prior to the inspection, the embassy deobligated \$336,000 from past fiscal years. Embassy Lilongwe officers noted the lack of sufficient funding to carry out their objectives. However, if the embassy is not monitoring the status of funds and status of obligations reports, then it is not using current budget allocations as effectively as it might.

Recommendation 13: Embassy Lilongwe should establish and implement procedures for periodic monitoring of the status of funds, obligations, and liquidation amounts. (Action: Embassy Lilongwe)

CONSULAR OPERATIONS

OIG found tight internal management controls in the consular section and compliance with all requirements, except one. There is no officer designated in writing as the backup accountable consular officer. Without a backup accountable consular officer there are no weekly reconciliations of machine-readable visa foils against approved nonimmigrant visa applications or periodic reviews of the accountable consular officer's accountability records. These requirements are in 02 State 147564.

Recommendation 14: Embassy Lilongwe should designate in writing the backup accountable consular officer and have that officer perform weekly reconciliations of machine-readable visa foils against approved nonimmigrant visa applications and periodically review other consular accountability records. (Action: Embassy Lilongwe).

FORMAL RECOMMENDATIONS

Recommendation 1: Embassy Lilongwe should use the occasion of the arrival of the new Ambassador to review its mission performance plan and amend the plan as needed to reflect the influx of Millennium Challenge Account funding, the inclusion of Malawi as a nonfocus country in the President's Emergency Plan for AIDS Relief, and the implications for mission staffing of these initiatives. (Action: Embassy Lilongwe)

Recommendation 2: The Bureau of African Affairs should work with the Department of Defense, the Defense Intelligence Agency, and the European Command to identify one regional defense attaché office to provide Office of Defense Cooperation and Defense attaché support to Embassy Lilongwe. (Action: AF)

Recommendation 3: Embassy Lilongwe should conduct an analysis of services now provided separately by the Department of State and the U.S. Agency for International Development and determine if continuing them would result in cost savings. If savings are found, the consolidation should be implemented as appropriate. (Action: Embassy Lilongwe)

Recommendation 4: Embassy Lilongwe should develop an acquisition plan that includes an end-of-year spending plan. (Action: Embassy Lilongwe)

Recommendation 5: Embassy Lilongwe should request, and the Bureau of Overseas Buildings Operations should approve and develop, a master space plan that includes funding for possible site acquisition or control adjacent land and the renovation of the chancery, the perimeter buildings, and the administrative annex. (Action: Embassy Lilongwe, in coordination with OBO)

Recommendation 6: Embassy Lilongwe, in collaboration with the Bureau of Information Resource Management and the Bureau of African Affairs, should ensure that the information management officer attends the necessary training to effectively manage both the unclassified and classified networks. (Action: Embassy Lilongwe, in coordination with IRM and AF)

Recommendation 7: Embassy Lilongwe, in coordination with the Bureau of Overseas Buildings Operations, should ensure that the chancery renovation plans include a separate location for the unclassified network components and a systems staff work area. (Action: Embassy Lilongwe, in coordination with OBO)

Recommendation 8: Embassy Lilongwe should designate primary and alternate information systems security officer responsibilities within its information management office, providing for separation of responsibilities between the unclassified and classified networks. (Action: Embassy Lilongwe)

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Recommendation 10: Embassy Lilongwe should formally request, and the Bureau of African Affairs should approve, a change in the post's tour of duty from three to two years, with one rest and recuperation visit. (Action: Embassy Lilongwe, in coordination with AF)

Recommendation 11: Embassy Lilongwe should perform inventory reconciliations for expendable and nonexpendable property in stock and should develop a long-term plan to ensure that inventory levels are reported accurately. (Action: Embassy Lilongwe)

Recommendation 12: Embassy Lilongwe should develop and implement detailed procedures for receiving and issuing expendable and nonexpendable property and incorporate these guidelines into the position descriptions of warehouse staff. (Action: Embassy Lilongwe)

Recommendation 13: Embassy Lilongwe should establish and implement procedures for periodic monitoring of the status of funds, obligations, and liquidation amounts. (Action: Embassy Lilongwe)

Recommendation 14: Embassy Lilongwe should designate in writing the backup accountable consular officer and have that officer perform weekly reconciliations of machine-readable visa foils against approved nonimmigrant visa applications and periodically review other consular accountability records. (Action: Embassy Lilongwe).

INFORMAL RECOMMENDATIONS

Informal recommendations cover operational matters not requiring action by organizations outside 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.

Policy and Program Implementation

Embassy Lilongwe will experience a surge in workload from new requirements to support the MCA and PEPFAR programs. The political and economic/commercial units will need to function more efficiently to cope with this new workload.

Informal Recommendation 1: Embassy Lilongwe should recombine its political and economic/commercial units into a political/economic section, headed by the economic/commercial officer. (Action: Embassy Lilongwe)

The Bureau of Consular Affairs has announced it will establish a consular associate replacement position at Embassy Lilongwe.

Informal Recommendation 2: Embassy Lilongwe, in coordination with the Bureau of African Affairs, should reprogram the current consular/political position to political/economic after the consular associate replacement position is assigned to Embassy Lilongwe. (Action: Embassy Lilongwe, in coordination with AF)

Public Affairs Section

The public affairs section does not prepare receipts for funds collected, use proper accounting methods, and have procedures for the storage of funds.

Informal Recommendation 3: Embassy Lilongwe should institute procedures to ensure that the public affairs section issues receipts for funds collected, uses proper accounting methods, and properly stores funds. (Action: Embassy Lilongwe)

Consular Section

The embassy employees at the front gate who first screen consular section customers do not have a written standard operating procedure describing the circumstances under which they can turn someone away for lacking a proper photograph or documents.

Informal Recommendation 4: Embassy Lilongwe should provide the front gate guard/receptionists with written guidelines explaining their duties in screening consular customers for proper photographs and documents. (Action: Embassy Lilongwe)

The nonimmigrant visa information sheet for the public requests that applicants bring job letters, bank statements, and other documents to the visa interview. Such documents are not reliable in Malawi.

Informal Recommendation 5: Embassy Lilongwe should eliminate from the standard visa information sheet the request for supporting documents unless required by regulations for a specific type of visa and ensure that visa interviewing officers base visa decisions on the interviews rather than on unreliable local documents. (Action: Embassy Lilongwe)

Embassy Harare currently processes diversity visa cases for Malawians. This averages around ten visas each year.

Informal Recommendation 6: Embassy Lilongwe should process the diversity visa cases of Malawian citizens as soon as its consular section has a full-time consular officer. (Action: Embassy Lilongwe.)

The consular officer has prepared an action plan that follows the guidelines of the Disaster Assistance Handbook. However, the consular section does not adequately understand how the government of Malawi would handle a disaster involving Americans and know the officials who would be dealing with such a crisis.

Informal Recommendation 7: Embassy Lilongwe should develop a more complete understanding of how the government of Malawi would respond to a disaster involving Americans and should solidify its contacts with the officials who would manage such a crisis. (Action: Embassy Lilongwe)

Financial Management

Embassy Lilongwe employees do not always submit travel vouchers within five working days after completion of authorized travel, as required by 4 FAH-3 H-465.1-1.

Informal Recommendation 8: Embassy Lilongwe should develop procedures to ensure that employees submit vouchers for reimbursement of travel expenses within five workdays after completion of authorized travel. (Action: Embassy Lilongwe)

Embassy Lilongwe does not always pay invoices within 30 days, as required by the Prompt Payment Act (31 USC 3901 et seq.) In some instances, interest charges have been paid.

Information Recommendation 9: Embassy Lilongwe should implement procedures to ensure that vendors are paid within 30 days. (Action: Embassy Lilongwe)

The Suspense Deposits Abroad account is not always cleared within reasonable times. Some items in the account date from 2002, 2003, and 2004.

Informal Recommendation 10: Embassy Lilongwe should implement procedures to ensure that Suspense Deposits Abroad items are charged to appropriation accounts on a timely basis. (Action: Embassy Lilongwe)

Americans and LES frequently ask the cashier to provide services outside of posted cashier service hours. The cashier is reluctant to refuse Americans' requests.

Informal Recommendation 11: Embassy Lilongwe should issue an administrative notice to remind employees to visit the cashier only during posted business hours. (Action: Embassy Lilongwe)

The financial management office does not regularly consult with the GSO to determine whether unliquidated obligations are still valid.

Informal Recommendation 12: Embassy Lilongwe should require the financial management and general services offices to schedule monthly meetings to determine the validity of unliquidated obligations. (Action: Embassy Lilongwe)

An analysis of travel advances revealed that outstanding balances were not settled in a timely manner. In addition, after completion of travel, some travelers paid their outstanding balances in installments. Department regulations (14 FAM 517.1) require all outstanding travel advances to be settled upon completion of travel.

Informal Recommendation 13: Embassy Lilongwe should develop and implement procedures to process all outstanding travel advances in accordance with Department regulations. (Action: Embassy Lilongwe)

International Cooperative Administrative Support Services

The ICASS standards for the procurement of goods and services are vague and require clarification. Procurement standards say that a requestor will be notified within a specified timeframe that an order is placed with a vendor, but do not say whether placed orders were confirmed with vendors.

Informal Recommendation 14: Embassy Lilongwe should revise and incorporate better performance measures in its International Cooperative Administrative Support Services standards. (Action: Embassy Lilongwe)

Although the embassy established its ICASS service performance standards, these are not always integrated into daily management operations nor are they incorporated in employee performance standards. Some units of the management section are not aware of the established service performance standards.

Informal Recommendation 15: Embassy Lilongwe should use its International Cooperative Administrative Support Services performance standards as a management tool and incorporate them in direct-hire American and locally employed staff work requirements. (Action: Embassy Lilongwe)

Procurement

Embassy Lilongwe staff complain that unclassified and secure procurements take too long.

Informal Recommendation 16: Embassy Lilongwe should issue an administrative notice reminding staff about the length of time and staff requirements involved in unclassified and secure procurements. (Action: Embassy Lilongwe)

In the past year, Embassy Lilongwe staff has committed a large number of unauthorized procurement commitments, which may result in individual liability for the procurement and other penalties.

Informal Recommendation 17: Embassy Lilongwe should issue an administrative notice that describes procedures to prevent unauthorized procurement commitments, including reminders to employees that only warranted contracting officers may make commitments for the U.S. government. (Action: Embassy Lilongwe)

When delays arise in the processing of procurement requests, the procurement section is not letting customers know when goods and services will arrive.

Informal Recommendation 18: Embassy Lilongwe should provide customer service training to the procurement staff. (Action: Embassy Lilongwe)

The procurement unit sometimes receives incomplete procurement requests.

Informal Recommendation 19: Embassy Lilongwe should redesign its procurement request form, highlighting the required fields of information. (Action: Embassy Lilongwe)

Required documentation for some contracts, purchase orders, and blanket purchase agreements was not always completed.

Informal Recommendation 20: Embassy Lilongwe should complete Forms DS-1918, Purchase Order File; DS-1919, Delivery Order File; and DS-1920, Blanket Purchase Agreement File to record relevant data and document information pertaining to acquisitions. (Action: Embassy Lilongwe)

Informal Recommendation 21: Embassy Lilongwe should document evidence of competition or sole-source justification on purchase orders, blanket purchase agreement forms, and contract files. (Action: Embassy Lilongwe)

There are inefficiencies in the interaction between procurement and other management units. For example, rather than consolidating procurement requests for parts and supplies, the maintenance units sometimes send separate procurement requests for each item ordered.

Informal Recommendation 22: Embassy Lilongwe should develop procedures to consolidate procurement requests for goods and services. (Action: Embassy Lilongwe)

In some instances, purchase orders for service agreements lacked a detailed scope of work.

Informal Recommendation 23: Embassy Lilongwe should develop procedures to ensure that all required documentation is included in contract files. (Action: Embassy Lilongwe)

Facilities and Maintenance

The asbestos management plan was updated in FY 2000. The wellness program removed some asbestos, but there is no current plan listing what asbestos remains or a plan for its removal.

Informal Recommendation 24: Embassy Lilongwe should update its asbestos management plan in light of the asbestos removal completed and planned construction. (Action: Embassy Lilongwe)

The embassy cleaners do not have a fixed schedule for cleaning the chancery, administrative annex, and outlying buildings based on the need for service.

Informal Recommendation 25: Embassy Lilongwe should design a cleaning schedule based on the current need for cleaning services. (Action: Embassy Lilongwe)

An OIG review of housing indicated there maybe some anomalies in the sizing.

Informal Recommendation 26: Embassy Lilongwe should remeasure the government-owned housing to ensure that the measurements in the real property application inventory are accurate. (Action: Embassy Lilongwe)

Information Management

The public affairs office is currently using the ODI local area network to access applications that are not on OpenNet Plus.

Informal Recommendation 27: Embassy Lilongwe should remove the overseas dedicated Internet local area network workstations from public affairs office users who have access to the Internet via OpenNet Plus. The OpenNet Plus workstations should be configured according to local CCB guidelines, once the new public affairs baseline is established. (Action: Embassy Lilongwe)

The locally employed computer staff's position descriptions do not include statements regarding their information systems security and Section 508 compliance responsibilities.

Informal Recommendation 28: Embassy Lilongwe should include a statement regarding information systems security and 508 compliance requirements in locally employed computer staff's position descriptions. (Action: Embassy Lilongwe)

Information Technology Security

The information technology contingency plan for the unclassified network is incomplete and has not been integrated into the post's emergency action plan (5 FAM 121.1b and 8a).

Informal Recommendation 29: Embassy Lilongwe should complete the information technology contingency plan and include it in the embassy's emergency action plan. (Action: Embassy Lilongwe)

PRINCIPAL OFFICIALS

	Name	Arrival Date
Ambassador	Vacant	
Deputy Chief of Mission	David R. Gilmour	08/04
Chiefs of Sections:		
Administrative	Craig L. Cloud	08/04
Consular/Political	Kiera Emmons	08/03
Economic/Commercial	William R. Taliaferro	07/04
Public Affairs	Mitchell R. Moss	08/04
Regional Security	Joseph A. Dogonniuck	07/02
Other Agencies:		
Centers for Disease Control and Prevention	Margarett Davis	11/01
Department of Defense	Col Dan Hampton (Harare)	01/03
U.S. Agency for International Development	Mary Lewellen (Acting)	05/05
Peace Corps	Pamela Martin	10/04

ABBREVIATIONS

ABC	African Bible College
BMIS	Bishop Mackenzie International School
CARP	Consular associate replacement position
CDC	Centers for Disease Control and Prevention
CLO	Community liaison office
DRI	Diplomatic readiness initiative
EFM	Eligible family member
FSHP	Foreign Service health practitioner
GSO	General services office(r)
ICASS	International Cooperative Administrative Support Services
IRC	Information resource center
ISSO	Information systems security office(r)
IT	Information technology
LES	Locally employed staff
MCA	Millennium Challenge Account
MPP	Mission Performance Plan
OBO	Bureau of Overseas Buildings Operations
ODI	Overseas dedicated Internet
OIG	Office of Inspector General
PAO	Public affairs office(r)
PAS	Public affairs section
PEPFAR	President's Emergency Plan for AIDS Relief
S/GAC	Office of the Global AIDS Coordinator
USAID	U.S. Agency for International Development