



United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

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July 18, 1997

The Honorable Richard K. Arme
Majority Leader
House of Representatives

The Honorable John Kasich
Chairman, Committee on the Budget
House of Representatives

The Honorable Dan Burton
Chairman, Committee on Government Reform
and Oversight
House of Representatives

The Honorable Bob Livingston
Chairman, Committee on Appropriations
House of Representatives

Subject: The Results Act: Observations on the Department of State's
May 1997 Draft Strategic Plan

On June 12, 1997, you asked us to review the draft strategic plans submitted by cabinet departments and selected major agencies for consultation with Congress as required by the Government Performance and Results Act of 1993 (the Results Act, P.L. 103-62). This letter is our response to that request concerning the Department of State.

Objectives, Scope,
and Methodology

Our overall objective was to review and evaluate the latest available version of State's draft strategic plan, which was prepared within the context of the Department's overall strategic plan for international affairs. The plan is designed to serve as an overarching framework to guide and coordinate the roles of U.S. government agencies under the foreign policy direction of the President and the Secretary of State. Specifically, we (1) assessed the draft plan's compliance with the Results Act requirements and its overall quality, (2) determined if State's key statutory authorities were reflected in the plan, (3) determined whether cross-cutting functions and interagency involvement were included, (4) determined if the draft plan addressed major management problems, and (5) discussed State's capacity to provide reliable information about its operations and performance.

Our overall assessment of State's draft strategic plan was generally based on our knowledge of State's operations and programs, our reviews of the Department's operations and programs, and other existing information at the time of our assessment. Specifically, the criteria we used to determine whether State's draft strategic plan complied with the requirements of the Results Act were the Results Act, supplemented by the Office of Management and Budget's (OMB) guidance on developing the plans (Circular A-11, part 2). To make judgments about the overall quality of the plan, we used our May 1997 guidance for congressional review of the plans¹ as a tool. To determine whether the plan addressed management problems previously addressed by us, we relied on our general knowledge of State's programs and operations and the result of reports and testimony that we have issued in recent years. (See enc. II for a list of our major products related to State's operations). We conducted our assessment between June 21, 1997 and July 18, 1997, in accordance with generally accepted government auditing standards. State officials provided oral comments on a draft of this correspondence, which are reflected in the agency comments section on page 14.

We based our assessment on the May 6, 1997, draft strategic plan that State provided on June 18, 1997, to the House of Representatives staff team working with the agency. We recognize that developing a strategic plan is a dynamic process and that State is continuing to revise the draft with input from OMB, congressional staff, and other stakeholders.

It is important to recognize that under the Results Act, a final plan is not due until September 1997. Furthermore, the act anticipated that it would take several planning cycles to perfect the process and that the final plan would be continually refined as various planning cycles occur. Thus, our comments reflect a snapshot status of the plan at a given point in time.

Background

The State Department is the lead institution for the conduct of U.S. diplomacy. It is responsible for conducting foreign relations, including formulating policy on diverse international issues and coordinating and supporting U.S. programs and activities overseas. State is expected to perform a wide range of functions that are critical to U.S. interests: provide leadership to help bring peace and stability to areas such as the Middle East and Bosnia, report on overseas events, influence other countries to adopt policies and practices consistent with U.S. interests,

¹Agencies' Strategic Plans Under GPRA: Key Questions to Facilitate Congressional Review (GAO/GGD-10.1.16, May 1997).

assist U.S. business abroad, provide services to U.S. citizens overseas, and issue passports and visas. State operates over 200 embassies and consulates worldwide. At posts overseas, the Department is responsible for coordinating and supporting the international activities of all U.S. government agencies not under military commands. State's budget request totaled about \$2.7 billion in fiscal year 1998 for the administration of foreign affairs.

The overall purposes of the Results Act include systematically holding federal agencies accountable for achieving program results and improving congressional decision-making by providing more objective information on the relative effectiveness and efficiency of federal programs and spending. Consistent with its general purposes, the Results Act requires that each federal agency develop a strategic plan by September 30, 1997. Each plan is to include six elements: (1) a comprehensive agency mission statement, (2) agencywide long-term goals and objectives for all major functions and operations, (3) approaches or strategies to achieve goals and objectives and the various resources needed to do so, (4) the relationship between long-term goals/objectives and annual performance goals, (5) an identification of key external factors beyond agency control that could significantly affect achievement of strategic goals, and (6) a description of how program evaluations were used to establish or revise strategic goals, and a schedule for future program evaluations.

State's first draft of its strategic plan was rejected by OMB last year for several reasons, including the lack of senior staff involvement in the plan's preparation. According to State officials, the May 1997 plan reflects a greater commitment by senior officials in the Department. In addition, State officials believe that the Department's current program planning exercise, in support of the budget process, will help State meet some of the requirements of the Results Act.

It is important to note that the administration, with the support of Congress, decided in April 1997 to reorganize the foreign affairs agencies of the United States. The objectives of the reorganization are to consolidate State, the U.S. Information Agency (USIA), and the Arms Control and Disarmament Agency (ACDA) and to integrate certain administrative functions of State and the U.S. Agency for International Development (USAID). Special consolidation/ integration teams are now putting together the strategy and plan of action for this effort, which will have significant cross-cutting policy and management implications for

State. A formal reorganization plan is scheduled to be completed by September 1997.

Results in Brief

State's May 6, 1997, draft strategic plan is useful in setting and clarifying U.S. foreign policy goals, but it does not contain sufficient information to fully achieve the purposes of the Results Act and is incomplete in several important respects. In particular, State's draft strategic plan omits two elements required by the Results Act. It does not contain components identifying the relationship between long-term goals/objectives and annual performance goals or a description of how program evaluations were used to establish or revise strategic goals, or a schedule for future program evaluations.

To meet the other four requirements of the Results Act, State's plan needs to be more descriptive and consistent with OMB guidance. For example, State's mission statement is described in two sections of the plan. The plan could be improved by consolidating these sections into a single mission statement. The strategic goals sections clearly set out foreign policy goals but do not consistently explain what results are expected from State's programs or when to expect the results. The plan contains several sections labeled strategy for specific goals, however, it does not specifically identify the actions and resources needed to meet the plan's goals or include a schedule for significant actions. In addition, State's strategies for achieving the foreign policy goals often focus on describing the Department's role in various areas instead of describing how State's programs and operations will achieve the goals. State frequently identifies the key factors related to the achievement of specific goals as part of its assumptions sections for each goal. However, the draft plan does not systematically describe how the achievement of goals could be affected by external factors or discuss some of the more overriding issues that could affect plan implementation, such as pending legislation.

The draft plan would be more useful to State, Congress, and other stakeholders if it included a description of the statutory basis for State's broad foreign policy responsibilities and explicit discussions of cross-cutting functions, major management problems, and adequacy of data and systems. The plan is consistent with State's basic statutory responsibilities, but it does not discuss them. State's draft plan recognizes that there are several cross-cutting issues and is designed to (1) coordinate the roles and missions of U.S. government agencies involved in foreign affairs activities and (2) serve as a basis for consultation to sharpen and

achieve broad agreement on U.S. foreign policy goals. However, the draft strategic plan does not clearly indicate how the Department plans to provide leadership and coordinate the programs of other agencies. Further, State's plan would be enhanced if it included a discussion of how the proposed reorganization of State, USIA, ACDA, and USAID might affect formulation of strategic goals and strategies and related management and resource requirements.

State's plan highlights many of its management responsibilities in ensuring its diplomatic readiness but does not address many of the serious management challenges facing the Department. Our prior reviews have identified several formidable management challenges, including the need for State to develop program strategies that reflect budget constraints, reduce its operating costs, meet the objectives of the Chief Financial Officers (CFO) Act, and systematically modernize its key business processes.

State's capacity to provide reliable information about its operations and program performance is questionable because of long-standing deficiencies in the Department's information and financial accounting systems. Successfully resolving a number of these material deficiencies in the Department's financial management and information systems will be critical to successfully implementing the plan.

State's Draft Strategic Plan Does Not Reflect All Elements of Results Act Requirements

State's draft strategic plan omits two key components and only partially fulfills the remaining four components required by the Results Act. Table 1 shows the Results Act's required components and the corresponding sections in State's plan.

Table 1: Strategic Plan Components Listed by the Results Act and Corresponding Sections in State's May 1997 Draft Strategic Plan

Strategic plan component listed by Results Act	Corresponding sections in State's May 1997 draft strategic plan
1. Comprehensive mission statement covering the major functions and operations of the agency	State Department Overview and the International Affairs Mission Statement
2. General goals and objectives	National Interests and Strategic Goals
3. Description of how the goals and objectives are to be achieved	Strategies
4. Description of how the annual performance goals shall be related to the general goals and objectives in the strategic plan	Not discussed
5. Identification of key factors external to the agency and beyond its control that could affect achievement of the general goals and objectives	Assumptions
6. Description of the program evaluations used to establish/revise strategic goals with a schedule for future program evaluations	Not discussed

Source: The Government Performance and Results Act of 1993 and State's May 1997 draft strategic plan.

Mission Statement

The elements of State's mission are described in two different sections of the plan—one that provides an overview of the State Department and another that gives a mission statement for international affairs. This mission is broad-based and includes providing policy leadership, conducting international negotiations, coordinating responses to crises, assisting U.S. business, adjudicating visas, and protecting and assisting American citizens abroad. State's plan would be easier to use if it contained a consolidated agency mission statement that was clearly labeled.

Goals and Objectives

State's draft strategic plan identifies 16 strategic foreign policy goals. The strategic goals are established for key areas of national interest and core U.S. values—national security, economic prosperity, protection of American citizens and border security, law enforcement, democracy, humanitarian assistance, and global issues (environment, population, and health). The plan also contains a diplomatic readiness section that establishes separate goals for human resources, information resource management, and infrastructure and operations of the Department.

Although State's plan establishes several goals, it does not consistently explain what results are expected from the agency's major functions or when to expect those results. For example, the foreign policy goal of expanding U.S. exports to \$1.2 trillion is too broad and subject to multiple influences to clearly articulate what results can be expected from the Department in the 5-year plus period covered by the draft plan. Moreover, some goals are not clear. For example, the diplomatic readiness goal of "enabling the U.S. government to achieve foreign policy objectives and respond to international crises by cultivating a skilled, motivated, diverse, and flexible workforce" is obscure and, in our opinion, it would be difficult to make a future assessment of whether the goal was being achieved.

**Approaches (or Strategies)
to Achieve Goals**

The draft strategic plan identifies strategies for each foreign policy goal, but it often does not describe how the goals are to be achieved. For example, State's first strategy (maintaining effective working relationships with leading regional states through vigorous diplomacy, backed by strong U.S. and allied military capability to react to regional contingencies) does not describe how the Department plans to maintain effective working relationships or coordinate with the other lead agency (Department of Defense) identified in the strategy. In contrast, the strategy to meet rising passport demand and maintain integrity of the passport system clearly describes State's approaches such as upgrading automated systems; developing backup systems; and introducing photodigitization to improve security.

The plan does not clearly describe the agency's staff skills and technologies, and the human, capital, information, and other resources needed to meet the plan's foreign policy goals, consistent with OMB Circular A-11, part 2. The diplomatic readiness section sets goals and strategies for managing and upgrading State's resource base, but those goals and strategies are not clearly linked to the strategic goals. Additionally, the plan is not consistent with OMB Circular A-11, part 2, which states that strategies should outline how the agency will communicate strategic goals throughout the organization and hold managers and staff accountable for achieving these goals.

**Relationship Between
Long-Term Goals and
Annual Performance Goals**

The draft strategic plan does not discuss the relationship between strategic goals and annual performance goals as required by the Results Act. However, it contains a section labeled indicators for each goal that may be a good first step toward establishing annual performance goals.

For example, State's goal of minimizing the impact of international crime on the United States and its citizens lists crime statistics and intelligence estimates as an indicator to measure progress. State officials noted that they are currently engaged in their annual program planning process and hope to further define operational goals, performance measures, and resource requirements consistent with the Results Act.

Key Factors External to the Agency

State's draft strategic plan contains key external factors affecting the achievement of the goals. These are described as part of its assumptions for each goal. Such assumptions are a good starting point for identifying the key external factors that might affect the Department's programs. However, the assumptions contained in the plan do not systematically (1) describe how the achievement of the goal(s) could be affected by the factor (consistent with OMB Circular A-11, part 2) or (2) identify other important factors that we believe could affect achievement of the goals. For example, a key assumption for controlling how immigrants and foreign visitors enter and remain in the United States is that applications for nonimmigrant visas will increase by 3-5 percent per year. The assumptions, however, do not mention legislative and technological challenges that could affect achievement of the goal. These might include pending requests for legislative authority to make immigration, passport, and other fees available to State as an indefinite appropriation.

Another example is one of the assumptions related to State's diplomatic readiness goal of establishing and maintaining infrastructure. It states that the investment decisions for major infrastructure systems will become more complex as high maintenance costs increase the urgency of new construction. However, the assumptions do not recognize the potential impact of international market forces on real estate decisions.

How Program Evaluations Were Used to Establish or Revise Goals

The draft strategic plan does not mention or describe how program evaluations were used to establish or revise strategic goals or include a schedule for future program evaluations. According to OMB guidance, the agency should briefly describe program evaluations that were used in preparing the strategic plan and outline (1) the general scope and methodology for planned evaluations, (2) particular issues to be addressed, and (3) a schedule for future evaluations. Addressing these requirements will be clearly important to State in its efforts to finalize a useful strategic plan. Recent program evaluations by State's Inspector General, who examined the Department's counternarcotics program,

peacekeeping activities, and immigrant visa programs, have identified several internal and external factors affecting program implementation. Our most recent evaluations have identified options for agencywide cost reductions, better real property management, and application of best practices adopted by the private sector.

State officials have found that many foreign policy issues are subject to multiple influences and are not quickly translated into agency-specific goals. State's draft strategic plan provides limited insight about how the Department's contributions will be singled out or how annual performance goals and measures will relate to the general goals and objectives. However, State officials are optimistic that such problems can be worked out in the program planning process. We have not assessed State's program planning process to determine whether it will enable State to meet the requirements of the Results Act.

Key Statutory Authorities Generally Reflected in State's Strategic Plan

Our review of the draft plan and State's key statutory authorities, including the State Department Basic Authorities Act of 1956 (P.L. 84-885), foreign relations authorization and appropriations acts,² relevant provisions of the Foreign Assistance Act of 1961 (P.L. 87-195), and other laws, indicates that State's description of its mission, goals, and objectives, as stated in its draft plan, generally reflect State's statutory authority. State's description of its mission is supported by its broad statutory authority for management of foreign affairs (22 U.S.C. 2656). Similarly, each of the 16 major goals appears to reflect broad foreign policy objectives and/or specific legislative priorities. In general, the overall structure of the plan, which is based on broad foreign policy goals but not tied directly to specific legislation, appears to be consistent with the nature of State's role as the lead institution for the conduct of foreign policy.

The Results Act does not require a statement of major statutory authorities to be included with the agency's plan. However, OMB Circular A-11, part 2, suggests that an agency's mission statement may include a brief discussion of the agency's enabling or authorizing legislation. We believe that State's plan may benefit from such a discussion to provide a better understanding of the statutory basis for State's broadly defined mission, goals, and objectives.

²The most recent authorization act for State is the Foreign Relations Authorization Act for Fiscal Years 1994 and 1995 (P.L. 103-236). The Department of State and Related Agencies Appropriations Act for Fiscal Year 1997 is title IV of P.L. 104-208.

Cross-Cutting Issues Not Fully Discussed

State, as the lead agency for the conduct of foreign policy, is involved in several cross-cutting issues for which successful performance depends on actions by the Department and other agencies. The Department's strategic plan states that it was not intended to supplant strategic planning efforts in the foreign affairs and other communities but was to be used as the basis for consultations with the aim of sharpening and achieving broad agreement on U.S. foreign policy goals. As such, State's strategies for achieving individual foreign affairs goals typically identify the various agencies that have responsibilities in the area but do not provide specific evidence of interagency coordination in determining how specific goals will be achieved. For example, several of State's strategies for helping achieve the goal of improving the well-being of the world's poor simply identify the lead agency (for example, USAID) and which agencies (for example, USAID and State) provide input, without giving any additional information about how the goal will be pursued.

State's draft plan does not specifically address the potential for other agencies to have functions similar to or possibly duplicative of State's role that could affect the formulation and implementation of strategies. In August 1996, we reported³ that State's functional bureaus share responsibility with multiple U.S. agencies on various overlapping issues, including over 30 agencies and offices involved in trade policy and export promotion, about 35 engaged in global programs, and over 20 involved in international security functions. Examples include the following:

- The Office of the U.S. Trade Representative and the Department of Commerce are at the center of federal trade activity, while the Departments of State, the Treasury, Agriculture, and Labor are also involved in trade policy.
- State's Office of Defense Trade Controls works in partnership with the Defense Department on license applications for arms controls. The Office also confers with the Commerce Department on licenses for exports of sensitive dual-use items and with the Department of Energy for exports of nuclear-related material. Both State and ACDA are involved in dual-use and arms export issues.

In its strategic plan, State identifies the general role of such agencies in support of various strategies but does not clearly address how the Department and other agencies will be expected to fulfill their roles. The plan does not indicate whether State systematically coordinated with its

³State Department: Options for Addressing Possible Budget Reductions (GAO/NSIAD-96-124, Aug. 29, 1996).

governmentwide stakeholders. We believe that a shortcoming of the plan is that State does not clearly identify how its programs relate to those of other agencies. This is partially due to the difficulties in linking specific agency programs to overlapping foreign affairs goals that do not have a designation of priorities. In addition, the numbers of agencies involved in foreign affairs activities makes identification of cross-cutting responsibilities difficult.

Impact of Agency Consolidation Not Identified

A related cross-cutting issue that could improve State's final plan would be a discussion of ongoing efforts of the administration to integrate (1) State, USIA, and ACDA into an effective and efficient agency to serve U.S. national interests and foreign policy goals in the 21st century and (2) certain shared administrative functions of State and USAID. Work on the reorganization of the foreign affairs agencies is under the direction of a steering committee (the four agency heads); a core team comprised of senior administrators in each agency; a planning team; and task forces addressing various agency integration issues, including management, arms control/non-proliferation/international security, and public diplomacy. The task forces and the planning team are to address key strategic issues, including the mission, organizational structure, number and type of personnel, resources and authorities of relevant policy/program implementation, and substantive support requirements for the reorganization.

Strategic Plan Does Not Fully Address Major Management Problems

State's strategic plan addresses some, but not all, of the major management challenges that the Department faces in carrying out its foreign policy responsibilities. The management challenges recognized by State as part of its plan include staffing and work force planning, information resource management, property management, logistics, security, and core administrative systems. These management issues are discussed separately in a diplomatic readiness section of the strategic plan. We believe the plan would be strengthened if it better described how these management challenges could affect achievement of the strategic goals in the plan. We also believe that the plan should address some of the key problems we have identified in our prior work related to cost control, overseas embassy management, and financial management. Specifically, we noted the following:

- In our August 1996 report on options for addressing possible budget reductions, we stated that the Department had not fully accepted that it

may have to substantially reduce its costs, nor had it done a comprehensive review of its functions and processes to identify unnecessary or low-priority work. Options we identified for reducing costs included (1) reducing or eliminating State's involvement in some areas and lessening the degree of overlap among its bureaus and with other agencies, (2) reducing the cost of State's overseas presence, and (3) reducing support costs. We noted that the structure of State's overseas presence has not changed substantially since the end of the Cold War, despite advances in communications and transportation and major changes in the way business is conducted overseas. We pointed out that fiscal realities should require that State increase its cost consciousness, make choices about resource priorities for its wide range of locations and functions, and fundamentally rethink the way that it does business to increase efficiency and reduce operating costs. The draft strategic plan does not fully address these issues.

- State operates over 200 embassies and consulates worldwide at a cost of nearly \$2 billion annually. In reports and congressional testimony,⁴ we and the Department's Inspector General have identified serious management problems that have contributed to wasted resources and weakened administrative systems overseas. State has taken some actions to improve overseas management, but the draft strategic plan does not specifically address the embassy management problem.
- Solving State's financial management problems depends largely on the Department's ability to meet the objectives of the CFO Act, as expanded by the Government Management Reform Act. The passage of the CFO Act was intended to improve federal financial management by, among other things, (1) mandating improvements in financial systems and internal controls and (2) requiring agencies to prepare and have audited financial statements. The June 1997 State Inspector General's audit report⁵ on the Department's consolidated statement of financial position for fiscal year 1996 contained a qualified audit opinion due, in large part, to the inability to audit undelivered orders. The Department's financial and accounting system, as of September 30, 1996, was noted to be "materially inadequate." This may significantly affect the Department's ability to successfully implement the Results Act. The plan does not address the major financial management challenges faced by State or how State will resolve these challenges.

⁴State Department: Actions Needed to Improve Embassy Management (GAO/NSIAD-96-1, Mar. 12, 1996) and Widespread Management Weaknesses at Overseas Embassies (GAO/T-NSIAD-93-17, July 13, 1993).

⁵Department of State's Consolidated Statement of Financial Position for Fiscal Year 1996 (OIG Audit Report 97-FM-017, June 2, 1997).

Our August 1996 report on options for addressing budget reductions also noted that State could possibly reduce its support costs by several hundred million dollars by accelerating changes to its business practices. In the plan, State's strategies for improving its diplomatic readiness contain elements that can help it to partially address the support cost issue. One of the most important elements focuses on a reengineering of the Department's worldwide logistics system. The Department's strategy in this area is largely based on an application of best practices of other organizations in the logistics area. Our ongoing work also shows that the Department can reengineer other key business processes and use the best practices of the private sector and other organizations to do things better at less cost. The strategic plan would be strengthened if these opportunities were more fully explored.

State Has Limited Capacity to Provide Reliable Information on Achievement of Goals

The Department's ability to generate reliable data in the near future is uncertain. Specifically, we believe that State is likely to encounter significant problems in providing reliable information on achievement of strategic goals due to the long-standing weaknesses in its information management systems and in its financial and accounting systems. Although State has recognized deficiencies in its existing systems and auditors have identified related internal control weaknesses, current target dates for completing corrective actions are at least 2 years off. As such, State needs to discuss the issue of data reliability in its strategic plan.

Information System Weaknesses

According to State's most recent Federal Managers' Financial Integrity Act report, its information resource management infrastructure is totally inadequate to meet the current core foreign policy and administrative functions. This situation has a significant impact on the Department's mission and severely limits its ability to provide efficient, flexible, and timely national security reporting; to promote U.S. business opportunities abroad; and to reinvent and streamline Department business practices. State's report goes on to note that 90 percent of the Department's overseas unclassified systems and nearly three-fourths of the domestic systems are obsolete. Current target dates for completing corrective actions are in the year 2000.

Reliability of Financial and Accounting Data

State's financial accounting systems are not capable of accurately accumulating the costs of its activities and thereby determining the cost of

achieving program results and measuring the success of strategic goals. The CFO Act requires agencies to have accounting and financial accounting systems that provide for the development of cost information and systematic measurement of performance. Currently, State does not have a true cost accounting system and, as a result, reliable cost information by function cannot be provided. Historically, State has focused attention on developing financial systems to satisfy appropriated fund control requirements rather than to provide financial cost information needed to manage operations. Domestic and overseas financial systems have been incompatible, out of date, and unable to meet managers' cost performance measurement and other financial needs.

As part of the Federal Managers' Financial Integrity Act process, State has long recognized the deficiencies in its financial management systems. The Department has developed a plan to improve its financial management systems to solve these weaknesses. Key elements of the plan include upgrading the core financial system, reducing the number of systems, and developing a reports management system. Target dates for resolving material weaknesses are currently in the year 1999.

If State plans to use data from its existing financial management systems to measure and manage program results, it needs to ensure that such data are complete, reliable, and timely. The process of preparing financial statements and subjecting them to an independent audit helps to establish discipline in the financial management process. This is a necessary step in generating reliable and timely information, along with initiatives for improvement as part of the financial integrity process. State needs to discuss the issue of data reliability in its strategic plan in terms of how reliable its data are, what is being done to improve the data, and how the reliability of the data can be expected to affect the agency's performance.

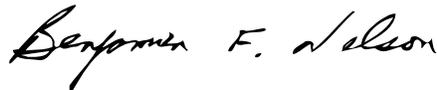
Agency Comments

On July 16, 1997, we obtained oral comments on a draft of this report from State officials responsible for preparing State's strategic plan. These officials said that our report reflects a May 1997 "snapshot" of the State Department's strategic plan that, under the Results Act, is not due until September 1997. They noted that with the administration's announcement of the consolidation of foreign affairs agencies, much has changed at the State Department since May 1997 and the strategic plan is evolving as well. From the outset, it has been State's intention to apply the outcomes of the strategic planning process in ways consistent with the Results Act. For example, all State Department bureaus are using the strategic plan as a

template to complete program plans this summer that will form the basis for the fiscal year 1999 budget for both international affairs programs and State Department operations. State believes that the strategic plan it submits in September, taken together with the annual performance plan and the fiscal year 1999 budget submitted to OMB, will reasonably address our comments on its draft plan.

As arranged with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this letter until 30 days from its issue date. At that time, we will send copies of this letter to the Minority Leader of the House of Representatives; Ranking Minority Members of your Committees; Chairmen and Ranking Minority Members of other Committees that have jurisdiction over Department of State activities; the Secretary of State; and the Director, OMB. We will send copies to others on request.

Please contact me at (202) 512-4128 if you or your staffs have any questions concerning this letter. Major contributors to this letter are listed in enclosure I.



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Related GAO Products

State Department: Options for Addressing Possible Budget Reductions (GAO/NSIAD-96-124, Aug. 29, 1996).

Overseas Real Estate: Millions of Dollars Could Be Generated by Selling Unneeded Real Estate (GAO/NSIAD-96-36, Apr. 23, 1996).

State Department: Actions Needed to Improve Embassy Management (GAO/NSIAD-96-1, Mar. 12, 1996).

State Department: Additional Actions Needed to Improve Overseas Real Property Management (GAO/NSIAD-95-128, May 15, 1995).

Overseas Staffing: U.S. Government Diplomatic Presence Abroad (GAO/T-NSIAD-95-136, Apr. 6, 1995).

Overseas Presence: Staffing at U.S. Diplomatic Posts (GAO/NSIAD-95-50FS, Dec. 28, 1994).

Department of State IRM: Strategic Approach Needed to Better Support Agency Mission and Business Needs (GAO/AIMD-95-20, Dec. 22, 1994).

State Department: Overseas Staffing Process Not Linked to Policy Priorities (GAO/NSIAD-94-228, Sept. 20, 1994).

Financial Management: State's Systems Planning Needs to Focus on Correcting Long-standing Problems (GAO/AIMD-94-141, Aug. 12, 1994).

State Department: Widespread Management Weaknesses at Overseas Embassies (GAO/T-NSIAD-93-17, Jul. 13, 1993).

Financial Management: Serious Deficiencies in State's Financial Systems Require Sustained Attention (GAO/AFMD-93-9, Nov. 13, 1992).

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