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**Highlights**

Highlights of [GAO-04-511](#), a report to the Chairman, Subcommittee on National Security, Emerging Threats, and International Relations, House Committee on Government Reform

## Why GAO Did This Study

Costs for overseas posts' administrative support services have risen nearly 30 percent since fiscal year 2001, reaching about \$1 billion in 2003. These costs are distributed among 50 agencies through the International Cooperative Administrative Support Services (ICASS) system, which was designed to reduce costs and provide quality services in a simple, transparent, and equitable manner.

Since ICASS was implemented in 1998, its performance has not been systematically reviewed. GAO was asked to examine (1) whether ICASS has led to efficient delivery of administrative services and (2) whether ICASS is an effective mechanism for providing quality services.

## What GAO Recommends

GAO recommends that the ICASS Executive Board (1) eliminate duplicative administrative support structures where possible, (2) reengineer processes by seeking innovative managerial approaches, (3) develop strategies to improve ICASS accountability, and (4) ensure that all personnel participating in ICASS receive detailed training.

We received comments on a draft of this report from the ICASS Executive Board and 9 executive agencies. All those commenting on the draft generally agreed with our recommendations, but each emphasized different aspects.

[www.gao.gov/cgi-bin/getrpt?GAO-04-511](http://www.gao.gov/cgi-bin/getrpt?GAO-04-511).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Jess T. Ford at (202) 512-4128 or [fordj@gao.gov](mailto:fordj@gao.gov).

# EMBASSY MANAGEMENT

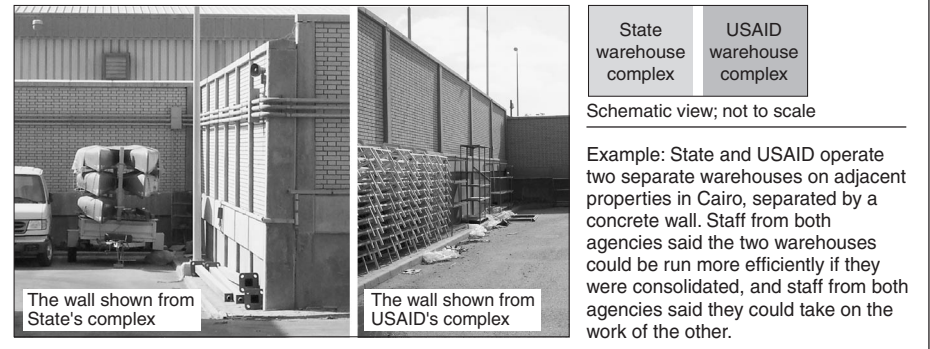
## Actions Are Needed to Increase Efficiency and Improve Delivery of Administrative Support Services

### What GAO Found

ICASS has not resulted in more efficient delivery of administrative support services because it has neither eliminated duplication nor led to efforts to contain costs by systematically streamlining operations. GAO found that agencies often decide not to use ICASS services and self-provide support services—citing reasons of cost, programmatic needs, and greater control—which can lead to duplicative structures and a higher overall cost to the U.S. government. Although some agencies' reasons for self-providing services may be supportable, GAO found that agencies rarely made business cases for why they chose not to take ICASS services initially or withdrew from services later. In addition, service providers and customer agencies have undertaken few systematic efforts to consolidate services or contain costs by streamlining administrative support structures. Furthermore, GAO found that deterrents to consolidating and streamlining administrative structures largely outweigh the incentives. However, there are efforts, both internal and external to ICASS, that may address some of the obstacles that prevent ICASS from operating more efficiently.

Based on the system's primary goals, ICASS is generally effective in providing quality administrative support services in an equitable manner, although not to the extent that it could be if certain impediments were addressed. GAO found that ICASS is simple and transparent enough for customers to understand its basic principles. Furthermore, most personnel agree that ICASS is more equitable than its predecessor. However, ICASS strategic goals lack indicators to gauge progress toward achieving them, and progress toward achieving posts' performance standards is not annually reviewed or updated. Other obstacles to maximizing ICASS include limits to overseas staffs' decision-making authority, which can diminish ICASS's goal of "local empowerment." Finally, GAO found that training and information resources, which could enhance participants' knowledge and implementation of ICASS, are underutilized.

### Independent State and U.S. Agency for International Development Warehouses on Adjacent Properties in Cairo, Egypt



Source: GAO.