

Highlights of GAO-04-883, a report to congressional requesters

Why GAO Did This Study

Since 1982, the Multinational Force and Observers (MFO) has monitored compliance with the security provisions of the Egyptian-Israeli Treaty of Peace. The United States, while not a party to the treaty, contributes 40 percent of the troops and a third of MFO's annual budget. All personnel in the MFO civilian observer unit (COU) are Americans.

GAO (1) assessed State's oversight of the MFO, (2) reviewed MFO's personnel and financial management practices, and (3) reviewed MFO's emerging budget challenges and U.S. MFO cost sharing arrangements.

What GAO Recommends

GAO recommends that the Secretary of State (1) resolve the concern of recruiting for the chief COU post; (2) ensure that staff with accounting expertise carry out State's MFO financial oversight responsibilities; (3) direct State's MFO advisory board to monitor State's compliance with its oversight guidelines; and (4) work to reconcile Army and State views on the MFO cost-sharing arrangement.

We received comments from DOD, State, and MFO. DOD and MFO generally agreed with our conclusions. State agreed with three of our recommendations and was nonresponsive to the recommendation that the oversight board monitor State's compliance with MFO oversight guidelines.

www.gao.gov/cgi-bin/getrpt?GAO-04-883.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Joseph Christoff at (202) 512-8979 or christoffj@gao.gov.

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PEACEKEEPING

Multinational Force and Observers Maintaining Accountability, but State Department Oversight Could Be Improved

What GAO Found

The State Department has fulfilled some but not all of its operational and financial oversight responsibilities for MFO, but lack of documentation prevented us from determining the quality and extent of its efforts. State has not consistently recruited candidates suited for the leadership position of the MFO's civilian observer unit, which monitors and verifies the parties' compliance with the treaty. State also has not evaluated MFO's financial practices as required by State's guidelines because they lacked staff with expertise in this area. However, State recently formed an MFO management advisory board to improve its oversight of MFO operations.

MFO has taken actions in recent years to improve its personnel system, financial accountability, and internal controls. For example, it has provided incentives to retain experienced staff and taken steps to standardize its performance appraisal system. It has received clean opinions on its annual financial statements and on special reviews of its internal controls. MFO has also controlled costs, reduced its military and civilian personnel levels, and kept its budget at \$51 million since 1995, while meeting mission objectives and Treaty party expectations.

U.S. Infantry Battalion Deployed as MFO Peacekeepers



Source: GAO.

MFO faces a number of personnel, management, and budgetary challenges. For example, leading practices suggest its employees' access to alternative dispute resolution mechanisms for discrimination complaints, and the gender imbalance in its workforce, could be issues of concern. Moreover, MFO lacks oversight from an audit committee or senior management review committee to ensure the independence of its external auditors. Finally, MFO's budget is likely to increase because of costs associated with replacing its antiquated helicopter fleet. U.S. and MFO efforts to obtain support from other contributors generally have not succeeded. Army, State, and MFO officials have yet to agree who should pay the increased costs associated with changes in the composition and pay scales of U.S. troops deployed at MFO.