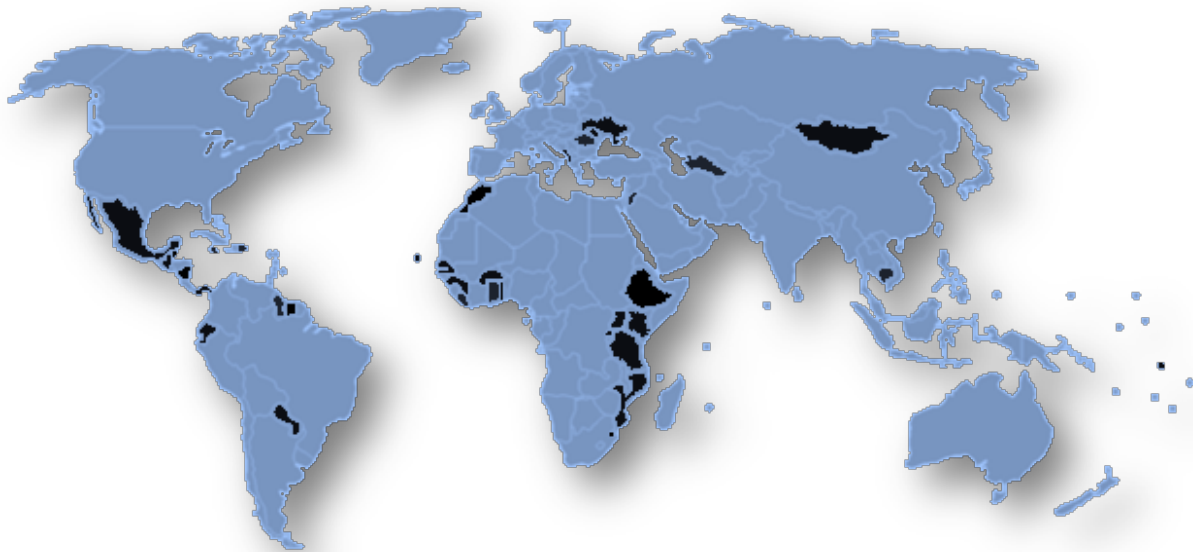




# Peace Corps Office of Inspector General

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Map of Countries Visited by OIG, FYs 2009 - 2011

## **Recurring Issues: OIG Post Audits and Evaluations Fiscal Years 2009 - 2011**

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April 2012

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## SUMMARY

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### OIG Work

At the end of FY 2011, the Peace Corps' 70 overseas posts supported over 9,000 Volunteers in 76 countries around the world.<sup>1</sup> Country directors managed each post and oversaw administrative, programming and training, medical, and safety and security personnel. The Office of Inspector General (OIG) provides the agency with independent audits and evaluations of these overseas posts. OIG also reviews domestic offices and programs and conducts investigations.

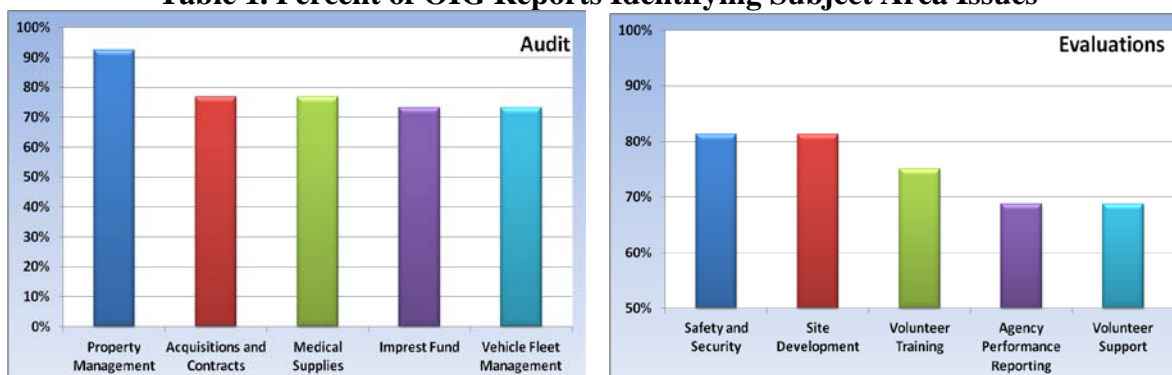
Our work promotes greater efficiency and effectiveness by identifying best management practices, recommending program improvements, and the means by which to comply with Peace Corps policies and federal regulations. The overseas posts audits determine whether the financial and administrative operations are functioning effectively and comply with Peace Corps policies and federal regulations. The country evaluations identify best practices and recommend program improvements to comply with Peace Corps policies. See Appendix A for information about our audit and evaluation methodologies used at overseas posts.

During fiscal years (FYs) 2009 -2011, OIG issued 42 post audit and country program evaluation reports of 35 overseas posts. We issued reports for audits of 19 posts, country evaluations of nine posts, and both an audit and country evaluation of seven posts. See Appendix B, table 3, for the full listing. Our work identified best practices and areas of weakness. This report summarizes the most common OIG issues and recommendations.

### Recurring Issues and Recommendations

OIG tracks report issues and recommendations using 32 category codes that represent programs or functions at overseas posts. Table 1 shows the issues that occur most frequently during post audits and evaluations and the percent of reports issued from 2009-2011 that contained recommendations in those areas.<sup>2</sup>

**Table 1. Percent of OIG Reports Identifying Subject Area Issues**



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<sup>1</sup> Reported in [Peace Corps' Performance and Accountability Report, Fiscal Year 2011](#)

<sup>2</sup> See Appendix C for more detailed charts of OIG issues.

Based on our review of 42 overseas post audit and evaluation reports we found the following recurring issues:

- The majority of posts visited struggled to fully implement agency safety and security policies and procedures, specifically with regards to emergency action plans and consolidation points, housing checks, site locator forms, and staff security background certifications.
- Most posts we visited had not developed effective controls over common business processes: including managing personal property and vehicles, complying with policies over imprest fund management, and implementing the agencies controls over medical supplies. These processes were largely manual operations that relied heavily on the knowledge and expertise of the staff.
- Many posts we visited needed to improve their programming and Volunteer training, specifically in the areas of site development, adequacy and applicability of Volunteer training, and coordination with host country ministries and project partners.

#### **How to use this information**

The Peace Corps has taken steps to strengthen support to Volunteers and improve business operations, but must provide additional oversight to posts, dedicated resources, and training to support implementation of new and revised policies and procedures intended to improve efficiency and effectiveness. The objective of this report is to identify issues that have continued to be problems for posts and require management's attention to help remediate.

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## REOCCURRING ISSUES

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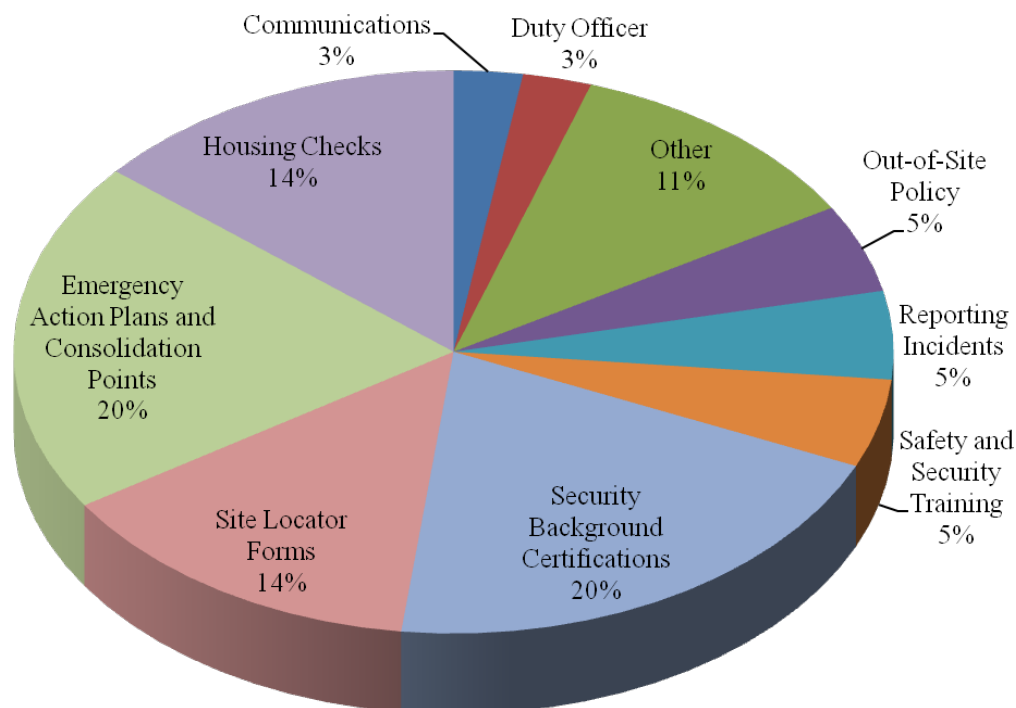
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### SAFETY AND SECURITY

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The majority of posts visited struggled to fully implement the agency's safety and security policies and procedures, specifically in regard to emergency action plans (EAPs), site locator forms (SLFs), housing checks, and staff security background certifications. The Peace Corps established safety and security instructions to assist in these areas, but needs to provide additional training and monitoring to improve implementation at posts around the world.

**Table 2. Percent of OIG Safety and Security Recommendations by Issue Type**



**Security Background Certifications.** Failure to obtain security background certifications prior to awarding personal services contracts increases safety and security risks at posts because posts may inadvertently award a personal services contract to a high-risk employee. In FYs 2010 and 2011, we identified missing or out-dated security background certifications at approximately 56 percent of posts audited.<sup>3</sup> Posts would often neglect to obtain updated certifications and sometimes fail to request the initial certifications before awarding the contracts. These issues would often go unnoticed until a post audit, because headquarters had not developed an effective process to ensure the certifications were completed before post awarded contracts and did not provide the necessary oversight to verify that certifications were complete.

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<sup>3</sup> We did not include FY 2009 because our procedures changed following the FY 2010 report on Peace Corps Volunteer Safety and Security Program (IG-10-08-A) to include additional review of security background certifications.

In response to our audit of Peace Corps' Volunteer Safety and Security Program (IG-10-08-A), the Office of Acquisition and Contracts Management updated the checklist for personal services contracts to include the requirement that all security background certifications be emailed to the Office of Safety and Security prior to awarding the contract. The Office of Safety and Security retains copies of the certifications and maintains a database of the staff and certification dates. As an additional control the names of all personal service contracts entered into the payment system are automatically entered into the Office of Safety and Security database to match with certifications. OIG will report on the efficacy of this new agency initiative through its upcoming post audits.

**Housing Checks.** Our evaluations revealed that inspections of Volunteer houses were not thoroughly completed and documented before Volunteers arrived at their sites; 50 percent of the posts evaluated in FYs 2009-2011 did not comply with their self-developed housing criteria. These criteria increase the safety and security of Volunteer housing by ensuring that the houses have elements such as locking doors and windows; proper lighting; doors, windows, and roofs that prevent unwanted entry; and safe proximity to neighbors and away from dangerous areas. Housing deficiencies create potential security risks for Volunteers.

Common causes for noncompliance included housing criteria that was unclear or not properly communicated to staff involved in site development and housing identification; insufficient documentation to demonstrate that housing checks were completed and to record issues that needed to be resolved before occupancy; and lack of an oversight process to ensure that housing checks were completed fully, timely, and accurately.

**“50 percent of the posts evaluated in FYs 2009-2011 did not comply with their self-developed housing criteria.”**

The agency does not have a standard housing checklist that all posts must use, although all posts are required to develop housing criteria, inspect houses prior to occupancy, and maintain documentation of the inspections. However, there is minimal oversight to ensure that posts are complying with the agency's policies and guidance, a finding that was reported in OIG's 2008 Final Program Evaluation Report on Volunteer Safety and Security.<sup>4</sup> Although related recommendations from the 2008 report have been closed, OIG country program evaluations find that housing checks continue to be an area of weakness. Given the importance of Volunteer safety and security, it is important for all posts to have clear, realistic housing criteria, make sure staff are aware of the housing criteria and have completed required checks, and resolve housing deficiencies before Volunteers arrive at their sites.

**Emergency Action Plans and Consolidation Points.** Peace Corps policy requires each post to have an EAP that addresses emergency situations that are likely to impact the post. Posts are also required to test the plan regularly and ensure staff and Volunteers are aware of their responsibilities. OIG evaluations found that posts had developed the required EAP. However, 50

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<sup>4</sup> Findings and recommendations from the 2008 Final Program Evaluation Report on Volunteer Safety and Security were not included in the data analysis; however, the report provides a comprehensive evaluation of Volunteer housing and its impact on Volunteer safety and security.

percent of the posts evaluated in FY 2009-2011 had other deficiencies related to EAPs and consolidation points. Some posts were not testing their EAP or providing staff training as frequently as required. Updated EAPs were not always distributed to Volunteers, duty officers, embassy security personnel, and neighboring Peace Corps posts that served as evacuation points. Volunteers at some posts did not know the location of their consolidation point, leaving them unsure of where to go if the EAP was activated. These deficiencies could leave staff and Volunteers unprepared to respond in an emergency.

**Site Locator Forms.** Posts use SLFs to gather communication and logistical information that might be needed to support Volunteers in an emergency. This includes Volunteer contact information, information on local police and medical facilities, and maps and directions to the Volunteer's site and consolidation point. Sixty-three percent of the posts evaluated in FY 2009-2011 had insufficient SLFs. These forms were often missing key pieces of information, or contained inaccurate or insufficient information to help someone locate Volunteers' sites.

Several factors have contributed to poor SLFs. Non-compliant posts often lacked a process to verify that Volunteers completed the form accurately. They also did not consistently enforce a process to get timely updates from Volunteers when information changed. The agency has been clarifying its policies and guidance related to SLFs, which might improve the quality of the information in the SLFs. However, staff have expressed differing views about the purpose of the SLF, which impacts people's perception of the necessary levels of completeness and accuracy. Some regard the SLF as an important method for staff and Volunteers to gather information that might be needed in a health- or safety-related emergency. Others see the SLF as a community integration exercise that could help Volunteers learn about their community but is not critical for gathering contact information. Furthermore, the increasing use of cell phones and electronic methods of storing Volunteer contact and site information has led some people to question the usefulness of SLFs in an emergency.

## **POST MANAGEMENT AND OPERATIONS**

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Most posts we audited had not developed effective controls over common business processes: including managing personal property<sup>5</sup> and vehicles, complying with policies over imprest fund management, and implementing the agencies controls over medical supplies. These processes were largely manual operations that relied heavily on the knowledge and expertise of the staff. The agency is improving through greater use of information technology, such as the new property management system and the upgrades to financial systems. As the agency automates more processes it will need to provide adequate training and continuous monitoring to ensure the posts use the systems appropriately. In addition, the automated solutions can provide greater efficiency when integrated with single points of data entry.

**Property and Vehicle Management.** Our audits identify vehicles and property management as an area of weaknesses and each year we report property management in the management challenges included in the agency's performance and accountability report. At the end of FY 2011, the Peace Corps reported approximately \$88.9 million in personal property, plant, and

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<sup>5</sup> Personal property is tangible, Peace Corps-owned, moveable property located in the U.S. and overseas.

equipment, including over 650 vehicles. During FYs 2009, 2010, and 2011 posts were provided spreadsheets to maintain essential property and vehicle information. Such information includes whether the items were in use, current location, vehicle mileage, and disposal data. With the exception of information technology, inventories were conducted once a year. Some posts developed their own processes to provide more continuous tracking of property, such as a European post that placed a print out listing the property within each office on the wall of each location and another an African post that had a current listing of cell phone numbers and assignments. Despite the efforts of posts, we often found that the property and vehicle spreadsheets were inaccurate and incomplete. The information provided to Peace Corps headquarters management was often inconsistent with property records held by post.

Twenty-four out of 26 post audits identified weaknesses in property management. Posts frequently did not understand the need to separate duties of custody, recordkeeping, and inventory verification to prevent individuals from stealing or misusing property without going undetected. Further, posts property records were not kept current and often contain discrepancies between the log and the actual property. Without accurate and complete records it is difficult to identify lost or stolen property. In one post, the country director found that over a period of five years almost \$5,000 worth of staff, Volunteer and Peace Corps property and cash was missing or stolen (September 30, 2011 Semiannual Report to Congress (SARC)). However, the full amount could not be determined because of poor inventory records.

The agency recently implemented a new property management system. If used correctly the new system will enforce the separation of duties through user roles, facilitate processes of property bar-coding and inventorying, and provide greater detail for audit trails. In addition, headquarters will have the capabilities of running reports to make informed decisions, identify deficient posts, and detect potential fraud or abuse.

The posts also failed to establish adequate controls over property and vehicle sales to ensure the government's interest and taxpayer funds were protected. Our audits identified property being sold to Peace Corps staff and family, causing us to question whether the sales were being conducted properly. At a post in South America we determined that the Peace Corps sold vehicles at \$54,000 less than market value (September 30, 2010 SARC). The country director pled guilty to one count of engaging in unauthorized activities in a matter affecting the U.S. government. Peace Corps subsequently revised policy to disallow posts from conducting property and vehicle sales unless specifically authorized by headquarters. However, we continue to find that posts are conducting their own auction and not always receiving headquarters approval.

**“At a post in South America we determined that the Peace Corps sold vehicles at \$54,000 less than market value.”**

**Imprest Fund Management.** The imprest fund provides the cash necessary to conduct post operations. Often Peace Corps posts rely on cash to pay Volunteer host families, vendors who do not accept credit cards, and travel advances. Posts in countries with poor banking infrastructures may rely on the imprest fund for paying the majority of expenses. In FY 2011, Peace Corps posts

were authorized a total of \$1.7 million in imprest funds. The Peace Corps has reduced the amount of imprest funds over the last three years by increasing the use of electronic fund transfers and purchase cards. To manage these funds Peace Corps hires a foreign service national, trained through the embassy, to conduct cashiering and collecting functions. At overseas posts, the Peace Corps director of management and operations provides direct oversight of imprest fund transactions and the country director monitors the overall operations.

In FY 2009 through FY 2011, we determined that 17 out of the 24 countries audited had findings and recommendations regarding imprest fund management. Proper controls include safeguarding the cash, separating duties, timely and accurate processes, and supervisor review. The most common issues we identify include posts not conducting complete imprest fund verifications, not clearing interim advances timely, and post not changing safe combinations annually.

Each year OIG investigates cases of cashiers or other staff embezzling cash and misusing imprest funds. For example, OIG reported a program training specialist embezzling over \$40,000 from a post in Central America (September 30, 2010 SARC) and a cashier embezzling almost \$4,000 from a post in the South Pacific (March 31, 2011 SARC). Because of the inherent risk of cash, posts must ensure controls are in place and operating effectively. The effective oversight of cashier operations and close monitoring of cash transactions can help reduce the risk of theft and misuse of Peace Corps funds.

**“OIG reported a program training specialist embezzling over \$40,000 from a post in Central America.”**

**Medical Supplies.** In FY 2008, the Peace Corps revised its medical supply policies and procedures to provide greater separation of duties; track purchasing, dispensing, and disposing; and mitigate the risk of loss or theft. During FYs 2009 – 2011, OMS sent emails, revised the policy, and issued technical guidance to clarify the requirements. OMS also provided training to the Peace Corps medical officers. However, posts continue to struggle with implementing the new requirements.

**“Twenty out of 26 posts (77 percent) audited during FY 2009-2011 had not successfully implemented the medical supply policies.”**

OMS’s continuous revision and clarification of the policy led some posts to become frustrated and disinterested in the process. Posts were not consistently implementing the policies and often failed to develop the necessary processes and controls. Twenty out of 26 posts (77 percent) audited during FY 2009-2011 had not successfully

implemented the medical supply policies. Specifically, posts struggled to separate the medical supply custody from the recordkeeping responsibilities; establish workflow processes between the medical officer, acceptance point clerk, and medical supply inventory control clerk; and maintain accurate and complete medical supply inventories.<sup>6</sup> Posts often continued to rely on the medical assistant to track the medical supplies, because of their close relationship with the medical officer and their role in securing and dispensing medical supplies. However, it is

<sup>6</sup> The acceptance point clerk receives the medical supplies and verifies the shipping list with the actual contents. The medical supply inventory control clerk maintains the log of controlled and specially designated medical supplies.



because of such relationship that posts must appoint and train personnel outside of the medical office to track and inventory medical supplies to ensure proper separation of duties.

Without the controls in place, the Peace Corps could not ensure the accuracy of medical supply information and medical supplies were vulnerable to theft, loss, and spoilage. The lack of oversight by non-medical staff contributes to opportunities for misconduct. For example, an OIG investigation found a PCMO who was managing a medical practice for private gain, misusing the Peace Corps post, a U.S. government facility, and engaging in the unauthorized use of government resources (September 30, 2011 SARC). The misconduct went on for several years without detection.

## **PROGRAMMING AND TRAINING**

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Programming and Volunteer training is at the heart of the Peace Corps' operations and enables the agency to achieve its mission. All posts have improvements that can be made in programming and training; OIG evaluations reveal that common areas for improvement include site development, adequacy and applicability of Volunteer training, and coordination with host country ministries and project partners. Peace Corps programming and training varies from country to country, and the agency does not have strict policy guidance in these areas, leaving it up to each post to develop and implement a programming and training strategy and determine the adequacy of its actions. The agency also lacks a way to provide consistent, timely training and orientation to post staff and teach them about Peace Corps' approach to programming and training.

**Site development.** Placing Volunteers in sites where they can be safe, healthy, and productive is essential to their success. Site development is a multi-faceted endeavor, and staff from multiple departments must work together to identify sites where Volunteers have well-defined work assignments, welcoming and supportive communities and host partners, and safe homes and communities. Sixty-nine percent of the evaluation reports issued in FY 2009-2011 contained recommendations related to site development.<sup>7</sup> Posts failed to establish and document clear site development processes and ensure staff were aware of and trained on their responsibilities, leading to inappropriate sites where Volunteers struggled to be productive and achieve their programming goals. In addition, posts did not identify appropriate counterparts or provide adequate orientation to explain the counterpart's role.

**Volunteer Training.** Training is essential to providing Volunteers and trainees with the skills they need to be productive at their sites. In FY 2009-2011, 75 percent of the posts evaluated had training deficiencies that resulted in OIG recommendations. Language and technical training were two areas that were commonly in need of improvement. In some posts, technical training lacked relevance to Volunteers' sites or was not hands-on enough, leaving Volunteers unprepared to carry out their primary assignment. Some posts also needed to make improvements in language training, particularly by improving local language instruction or

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<sup>7</sup> This percentage does not include recommendations related to Volunteer housing checks, which were reported in the Safety and Security section of this report.

providing better access to tutors or other self-directed language training methods for languages that could not be accommodated during pre-service training (PST).

**“75 percent of the posts evaluated had training deficiencies...”**

Posts also needed to improve implementation of the agency’s training design and evaluation process either by developing competencies and learning objectives or developing better trainee assessment methods. Without having a good monitoring and evaluation system, posts could not accurately assess the effectiveness of their training programs and make needed improvements. The diversity of Peace Corps’ operations makes it difficult for posts to develop and deliver effective Volunteer training, particularly at posts that have numerous programming areas and operate in countries with a multitude of local languages. Furthermore, without strong guidance from headquarters, posts have struggled to develop monitoring and evaluation systems to determine training adequacy. This makes it difficult for posts to develop effective training because they cannot accurately determine what is not working and make the necessary changes. The agency’s Focus In/Train Up initiative<sup>8</sup> should help improve training if posts are willing to make the changes needed to focus programming and deliver relevant training.

**Host Country/Project Partner Coordination.** Country program evaluations identified post relationships with host country ministries and project partners as a common programming element that needs improvement. Some posts failed to engage key project partners in programming, including project design and implementation. They also lacked methods to communicate project results and Volunteer achievements to their major project partners. Although some staff developed relationships with project partners and communicated with them as the need arose, not all posts had taken full advantage of formal communication methods that brought multiple parties together, such as project advisory committees (PACs). Without a formalized, structured way to work with project partners, posts were not able to take full advantage of the host country partners’ expertise and ensure their needs were accounted for in the post’s programming.

Some posts also failed to develop and maintain memorandums of understanding (MOUs) with host country ministries and project partners. Not having clear, updated MOUs can lead to confusion about the Volunteer’s role. MOUs enable the post to specify appropriate Volunteer activities and any expectations the Peace Corps has of the Volunteer’s community or workplace.

Post staff cited a variety of reasons why they did not fully engage partners, including lack of funds to conduct PAC meetings and lack of partner interest in participating in meetings and developing MOUs. Although the agency encourages posts to develop relationships and coordinate with host country ministries and project partners, there are no requirements to do so and no oversight mechanism to make sure partners’ needs are being met.

The agency created the Office of Strategic Partnerships in February 2012 to assist posts in developing and implementing partnerships.

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<sup>8</sup> The Focus In/Train Up strategy calls upon the Peace Corps to scale up highly effective Volunteer projects and work activities to maximize Peace Corps’ impact.

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## IMPROVING OPERATIONS

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Strong leadership and effective management are essential to running a well-performing post. Peace Corps headquarters must also establish the policies, processes, systems, and controls that support and oversee the posts. In reviewing the reoccurring issues, OIG identified patterns of issues and areas of weakness that require additional support, such as policy clarification, additional training, improved management tools and technology, and additional headquarters' oversight.

### **Policy clarification**

The Peace Corps updated and revised many of its policies during FYs 2009-2011. However, at times, the policies were not communicated to posts in a way that facilitated effective implementation.

- **Medical supplies:** As previously mentioned, staff were confused by the agency's updated medical supply policy and procedures, which has hindered its implementation. Headquarters must use supplemental guidance, training, and other means of communication to assist posts in achieving the desired results.
- **Site locator forms:** OIG also believes the agency could benefit from clarifying and communicating the purpose of the SLF and the expectations for accuracy and completeness.

### **Staff training**

Overseas staff training is not available to every staff member and the agency lacks an alternate mechanism for orienting new post staff members to ensure they have the information they need to do their jobs and support Volunteers. Because the agency lacks a comprehensive, standardized orientation and training program for all overseas staff, each post decides what information will be provided to new employees and contractors. There is no assurance that new staff are aware of important manual sections and guidance in areas such as Volunteer safety and security, health, programming, and training. This report identified several reoccurring issues that highlight the need for improved staff training to bring awareness to the agency's policies and procedures:

- **Site development:** Although the agency has produced guidance related to site development, the agency has not established a process to ensure that staff are aware of the guidance and understand how to implement it at their post.
- **Housing checks:** Without a thorough overview of the Peace Corps' approach to safety and security, staff may not understand the importance of completing the required housing checks.

Providing overseas staff with timely training and orientation is essential in helping them understand the guidance available and how they can effectively carry out their responsibilities.

## **Management Tools and Technology**

Headquarters must provide posts with the management tools and information technology needed to ensure the agency's policies and procedures are carried out consistently around the world. Management tools include templates, spreadsheets, and databases that capture the required information and provide useful reports in making performance and budget decisions. Without these tools, posts develop their own forms, databases, and other mechanisms to manage day-to-day operations. However, these solutions are often inefficient, duplicative, and do not always meet the needs of the posts and headquarters. Examples of areas in need of additional management tools include:

- **Volunteer training:** All posts are expected to evaluate their training programs, but the agency has not provided associated tools and templates. Without support from headquarters, posts have struggled to develop monitoring and evaluation systems that can help them determine training adequacy.
- **Property management:** Peace Corps recently implemented a property management system to record personal property and electronically conduct physical inventories. The Office of Management also provided a handbook and initial training. However, posts may require additional support in developing processes that ensure property is entered in the database timely, accurately, and completely; individuals understand their roles and responsibilities; and information is used to make management decisions on property purchases, utilization, and sales.

## **Oversight and Monitoring**

Continuous monitoring helps to ensure posts are complying with regulations and the agency is receiving the expected results for the controls it institutes. Monitoring should be done at posts and by headquarters. Monitoring should provide management with information about post's performance and compliance to identify areas where posts can improve and where headquarters can provide additional support or resources to enhance controls and efficiencies. The Administrative Management Control Survey (AMCS) is provided to country directors and designated staff to conduct periodic self-appraisals of administrative, financial, training, and program management practices at post. However, this tool is not consistently used to identify weaknesses and improve operations. Examples of areas that needed additional oversight included:

- **Security background certifications:** Since developing an application to track and maintain security background certifications, headquarters must continue to monitor post's compliance and ensure all staff, including part-time contractors, receive background checks before contracting.
- **Property management:** Because of inaccurate and incomplete property reports, the Peace Corps could not conduct meaningful analysis of property purchases, sales, and disposals. Management needs to utilize the new property management system to analyze trends, pull exception reports that identify anomalies and high risk areas, and identify inaccuracies in the property records.

## SCOPE AND METHODOLOGY

### SCOPE

OIG issued post audits and country evaluations for 42 overseas posts during FYs 2009 through 2011.

**Table 3. List of OIG Reports issued in FYs 2009 through 2011**

| Project Code | Project Name                        | Project Code | Project Name                              | Project Code | Project Name               |
|--------------|-------------------------------------|--------------|---|--------------|----------------------------|
| IG-09-01-A   | Audit of PC/Swaziland               | IG-10-01-A   | Audit of PC/Burkina Faso                  | IG-11-01-A   | Audit of PC/Mexico         |
| IG-09-02-E   | Evaluation of PC/Nicaragua          | IG-10-02-E   | Evaluation of PC/Turkmenistan             | IG-11-02-A   | Audit of PC/Ethiopia       |
| IG-09-03-E   | Evaluation of PC/Dominican Republic | IG-10-03-A   | Audit of PC/Cape Verde Island             | IG-11-02-E   | Evaluation of PC/Ethiopia  |
| IG-09-04-A   | Audit of PC/Guatemala               | IG-10-04-A   | Audit of PC/Tanzania                      | IG-11-03-A   | Audit of PC/Togo           |
| IG-09-05-E   | Evaluation of PC/Guyana             | IG-10-05-SR  | Special Report on PC/Ecuador <sup>9</sup> | IG-11-03-E   | Evaluation of PC/Jamaica   |
| IG-09-06-A   | Audit of PC/Samoa                   | IG-10-06-A   | Audit of PC/Suriname                      | IG-11-04-A   | Audit of PC/Belize         |
| IG-09-07-FUA | Audit of PC/Uganda                  | IG-10-06-E   | Evaluation of PC/Morocco                  | IG-11-04-E   | Evaluation of PC/Cambodia  |
| IG-09-09-A   | Audit of PC/Guinea                  | IG-10-07-A   | Audit of PC/Mongolia                      | IG-11-05-A   | Audit of PC/Mozambique     |
| IG-09-10-A   | Audit of PC/Morocco                 | IG-10-09-E   | Evaluation of PC/Suriname                 | IG-11-05-E   | Evaluation of PC/Romania   |
| IG-09-11-FUA | Audit of PC/Senegal                 | IG-10-10-A   | Audit of PC/Paraguay                      | IG-11-06-A   | Audit of PC/Ukraine        |
| IG-09-12-A   | Audit of PC/Nicaragua               | IG-10-10-E   | Evaluation of PC/Togo                     | IG-11-06-E   | Evaluation of PC/Swaziland |
| IG-09-13-E   | Evaluation of PC/Ghana              | IG-10-11-A   | Audit of PC/Moldova                       | IG-11-07-A   | Audit of PC/Albania        |
| IG-09-14-E   | Evaluation of PC/Belize             | IG-10-12-A   | Audit of PC/Kenya                         | IG-11-07-E   | Evaluation of PC/Liberia   |
| IG-09-15-E   | Evaluation of PC/Jordan             |              |   | IG-11-08-A   | Audit of PC/Rwanda         |
|              |                                     |              |   | IG-11-09-A   | Audit of PC/Panama         |

### METHODOLOGY

In addition to analyzing the management and operations of domestic offices, OIG Audit and Evaluation Units conduct reviews of the agency's field activities at overseas posts. Audits are

<sup>9</sup> The Special Report on PC/Ecuador was conducted by an auditor using the audit methodology and is included as an audit for the purposes of this report.

conducted under the direction and guidance of the assistant inspector general for audit and in accordance with Generally Accepted Government Auditing Standards. The Audit Unit uses a risk-based assessment to select overseas posts to review for operational efficiency and effectiveness, financial stewardship, and compliance with agency policies and federal regulations. At overseas posts, auditors review various operations, including imprest fund management and cashiering, acquisitions and contracts, personal property management, medical supply control, and personnel management. OIG's overseas post audits identify reoccurring issues and trends. Its reports frequently contain recommendations to headquarters for strengthening controls to prevent and detect systemic weaknesses.

Evaluations are conducted under the direction and guidance of the assistant inspector general for evaluations and in accordance with the Quality Standards for Inspections published by the Council of the Inspectors General on Integrity and Efficiency. For country program evaluations, OIG uses the following researchable questions to guide its work:

- To what extent has post developed and implemented programs to increase host country communities' capacity?
- Does training prepare Volunteers for Peace Corps service?
- Has the post provided adequate support and oversight to Volunteers?
- Are post resources and agency support effectively aligned with the post's mission and agency priorities?
- Is the post able to adequately administer the PEPFAR program, support Volunteers, and meet its PEPFAR objectives? (when applicable)

When we issued a preliminary report we tracked each recommendation using one of the following category codes.<sup>10</sup>

**Table 4. Recommendation Categories**

| Category                     | Definition  |
|------------------------------|---|
| Acquisitions and Contracts   | Acquisition and purchase related recommendations not included in separate categories. Includes obligations and liquidations, non-cashier vouchers, purchase card, and contracts other than personal services contracts.         |
| Agency Performance Reporting | Recommendations regarding the Volunteer Reporting Tool and Volunteers' periodic performance reports (i.e., VRFs and quarterly/trimester reports), including staff feedback.   |
| Billings and Collections     | Recommendations regarding billing and collection functions such as billing logs, separation of billing and collecting roles, billing for personal use of telephones and vehicles, and collection of host country contributions. |
| Country Entry/<br>Re-entry   | Recommendations regarding the assessment process and related follow-up for new country entries and re-entries.  |
| CFO Audit                    | Recommendations issued during the audit of the agency financial statements.   |
| Cross-Cultural Understanding | Recommendations regarding Volunteers' ability to integrate into their communities.  |
| FISMA                        | Recommendations issued during the FISMA audit.  |

<sup>10</sup> Recommendations are also tracked by the Administrative Management Control Survey (AMCS) categories used by posts to conduct their self-appraisal of administrative, financial, training, and program management practices.

|  |  |
|--|--|
| Grant Programs                               | Recommendations regarding the management and coordination of grant programs such as Peace Corps Partnership Program and Small Project Assistance. Do NOT include VAST, it belong in PEPFAR.  |
| Host Country/Project Partner Coordination    | Recommendations regarding coordination with the host country government and other project partners, such as MOUs, country agreements, and PACs.  |
| Imprest Fund                                 | Recommendations regarding imprest fund management; including reconciliations, cashier responsibilities, interim advances, alternate and subcashiers, physical security of cashier cage and imprest safe, and accuracy and completeness of cashier vouchers.  |
| Information Technology                       | Recommendations concerning IT security, user access, general and application controls, and safeguarding of data. Do NOT include IT property recommendations, those belong in Property Management. FISMA related recommendations are tracked separately.  |
| Leases                                       | Recommendations regarding lease competition, contract administration, and documentation completeness.  |
| Medical Supplies                             | Recommendations concerning medical supply procurement, custody, inventorying, dispensing, and disposals.   |
| Other  | Recommendations that do not meet the definitions of the other categories.  |
| Peace Corps Response and Transfer Volunteers | Recommendations regarding the Peace Corps Response program or Volunteer transfers.   |
| PEPFAR                                       | Recommendations regarding a post's PEPFAR-related programming. Typically Evaluation related. Does not include funding-related issues (there is a separate category for this).  |
| PEPFAR <sup>11</sup>                         | Recommendations regarding the management of PEPFAR funds including issues budgets presented in COPs, improper classification of funds, disallowable costs, and VAST fund administration. Typically Audit related.  |
| Personnel Management                         | Recommendations regarding staff (U.S., FSN, and PSC) human resource practices, including over/under staffing, time and attendance, performance appraisals, staff training/development, leadership vacancies, and succession planning.  |
| Personal Services Contracts                  | Recommendations regarding PSC contract calculations, approvals, and documentation completeness. Do NOT include security certifications, those belong in Safety and Security.   |
| Post leadership and Management               | Recommendations regarding the post's leadership and guidance, including staff communication, office cohesion and morale, and the existence/quality of written policies and procedures for post operations.   |
| Strategic Planning and Budgeting             | Recommendations related to the post's IPBS and operations plans, including the planning process and growth strategies.   |
| Programming                                  | Recommendations related to the post's overall programming direction and implementation, including sustainability, project plans, VADs, and the post's ability to meet its project objectives. Recommendations related to PCVL assignments will often fall into this category (not personnel management). |
| Property Management                          | Recommendations regarding the procurements, disposal, and management of personal property, including the property database, physical inventory, reports of excess and loss. Do NOT include vehicle specific recommendations, those belong in Vehicle Fleet Management.                                   |

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<sup>11</sup> All recommendations regarding PEPFAR are tracked using the PEPFAR category. A second category level is used to differentiate between recommendations related to PEPFAR programmatic and PEPFAR fund management.

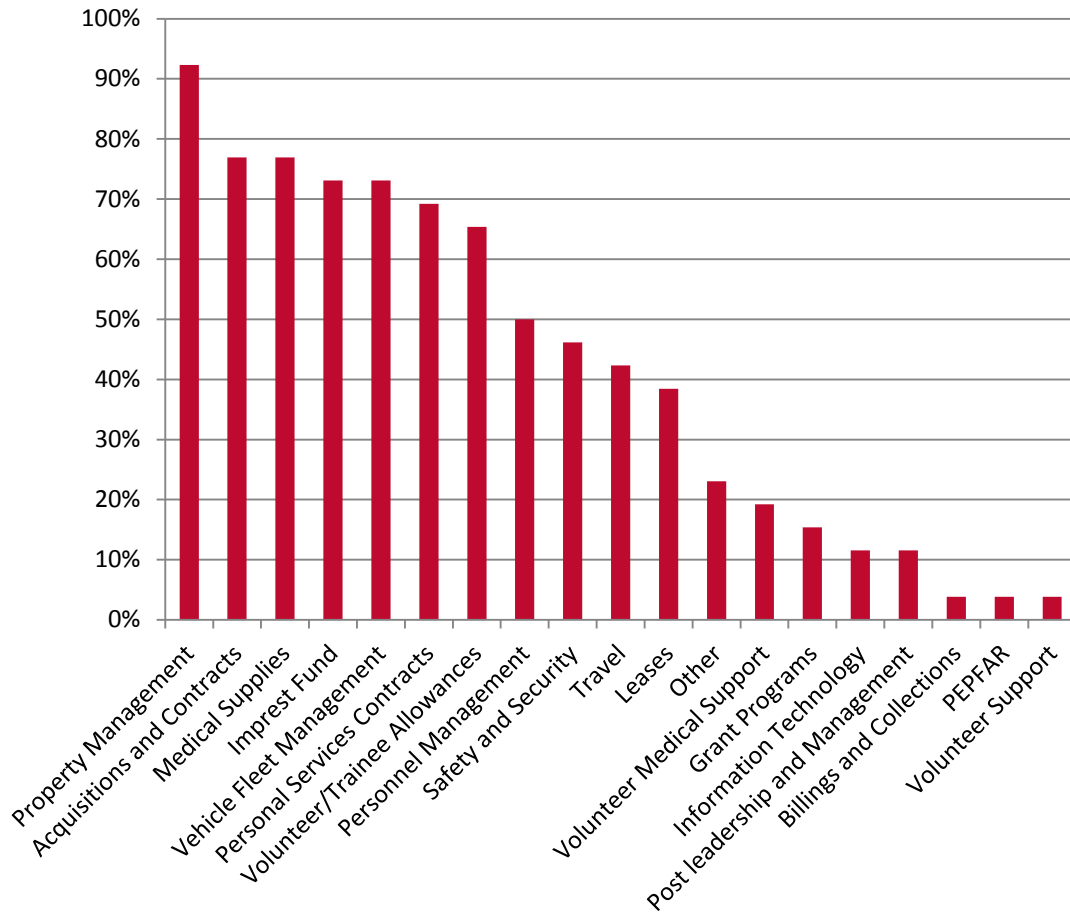
|                              |   |
|------------------------------|---|
| Safety and Security          | Recommendations regarding safety and security of Peace Corps and Volunteers, including overall emergency preparedness, emergency action plans, site locator forms, duty officer system, crime data reporting, incident response, physical security, staff security certifications, and incident reporting. Do NOT include IT security, those belong in Information Management. Do not include housing checks; those belong in site development. |
| Site development             | Recommendations regarding site development, including site selection, site histories, housing and safety/security checks, counterpart identification, setting appropriate expectations with Volunteers, and preparing the communities who will receive them.  |
| Site visits                  | Recommendations regarding staff visits to Volunteer sites including frequency, duration, and support received.  |
| Travel                       | Recommendations regarding travel plans and documentation; including travel authorizations, vouchers and supporting documents, and compliance with federal travel regulations. Include international and in-country travel recommendations.  |
| Vehicle Fleet Management     | Recommendation regarding vehicle procurement, disposal, and management; including usage logs and approvals, vehicle status report, maintenance records.   |
| Volunteer Medical Support    | Recommendations regarding the adequacy of the medical support provided to Volunteers, including medical records and confidentiality, medical evacuation plans, and quality and availability of medical care.  |
| Volunteer Support            | Recommendations regarding Volunteer support that do not fall into the other categories. Includes staff-Volunteer communications and relationships, the VAC, and support for Volunteers of diverse backgrounds   |
| Volunteer Training           | Recommendations related to the planning, development, and adequate implementation of Volunteer training, including PST, ISTs, and other trainings provided by the post. Includes language, medical, technical, and safety and security training.  |
| Volunteer/Trainee Allowances | Recommendations regarding the adequacy, accuracy, and completeness of Volunteer/Trainee Allowances (including living allowances, settling in allowance, and other reimbursements) and the surveys that support the rates.   |

To develop this report, we identified the number of audit and evaluation reports containing recommendations on specific subject areas using the category code. We used the data to identify common issues from FYs 2009-2011. Some categories may have experienced changes because the focus of our audits or evaluations evolved. For example, in 2008, the Audit and Evaluation Units significantly changed their scope and methodology and have continued to make adjustments based on changes in agency policy, guidance, and areas of strategic interest. We accounted for such changes when assessing the reoccurring issues. This report presented those issues that we believe continue to be problems for posts and require management's attention to help remediate.

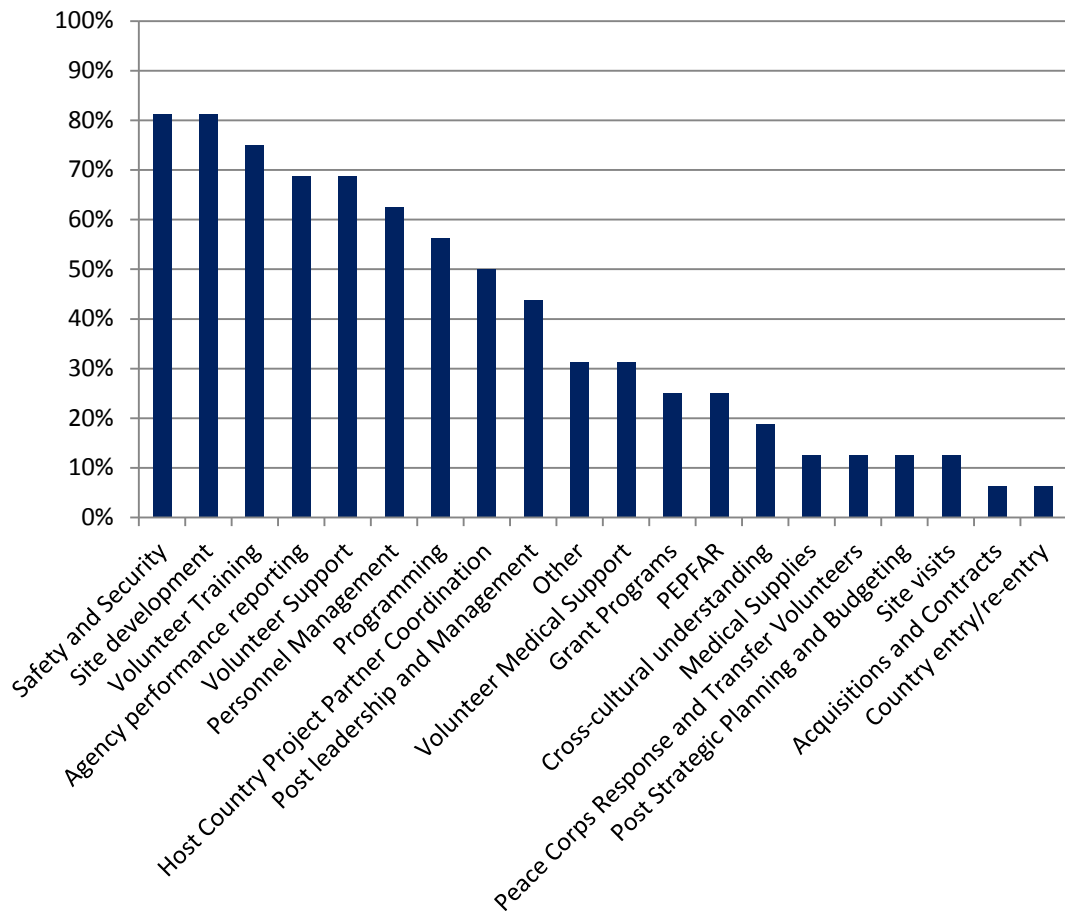


## SUPPORTING DATA

The following table represents the percent of audit reports issued during FYs 2009-2011 that contained recommendations in each category tracked by OIG.



The following table represents the percent of country program evaluation reports issued during FYs 2009-2011 that contained recommendations in each category tracked by OIG.



# Help Promote the Integrity, Efficiency, and Effectiveness of the Peace Corps

Anyone knowing of wasteful practices, abuse, mismanagement, fraud, or unlawful activity involving Peace Corps programs or personnel should call or write the Office of Inspector General. Reports or complaints can also be made anonymously.

## Contact OIG

### Hotline:

U.S./International: 202.692.2915

Toll-Free (U.S. only): 800.233.5874

Email: [OIG@peacecorps.gov](mailto:OIG@peacecorps.gov)

Web Form: [www.peacecorps.gov/OIG/ContactUs](http://www.peacecorps.gov/OIG/ContactUs)

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