



Office of Inspector General
Annual Plan

Fiscal Year 2014

Peace Corps Office of Inspector General

Through audits, evaluations, and investigations, the Office of Inspector General (OIG) provides independent oversight of agency programs and operations in support of the goals set forth in the Peace Corps Act while making the best use of taxpayer dollars. OIG:

- Promotes integrity, efficiency, effectiveness and economy;
- Prevents and detects waste, fraud, abuse and mismanagement;
- Identifies risk and vulnerabilities and offers expert assistance to improve the Peace Corps' programs and operations

Established in February 1989, OIG receives its legal authority from the Inspector General Act of 1978, as amended (IG Act). The IG Act establishes OIG as an independent entity within the Peace Corps. The law requires that OIG fully and currently inform the Peace Corps Director and the Congress about problems and deficiencies relating to the administration of agency programs and operations. OIG is authorized by law to review all programs and operations of the Peace Corps. OIG's work typically examines agency operational efficiency, effectiveness, financial stewardship, and compliance with agency policy and federal regulations.

OIG Staffing and Resources

OIG is comprised of three units: Audit, Evaluation, and Investigation, and an administrative team. Each unit develops its fiscal year (FY) workload based on account staffing availability and funding. OIG has a cross-unit outreach committee responsible for developing and distributing brochures, educational materials, and training to support OIG's outreach to Volunteers and staff.

FY 2014 Strategy Statement and Focus Areas

As detailed in the OIG strategic plan for 2014-2016, during FY 2014 OIG will conduct audits, evaluations and investigations addressing the Management Challenges identified in the *Peace Corps Performance and Accountability Report* and the following OIG priorities:

- Kate Puzey Volunteer Protection Act of 2011
- Agency-wide Processes, Programs, and Systems
- Volunteer Safety and Security and Medical Care
- Overseas Post Operations
- Stakeholder Communication

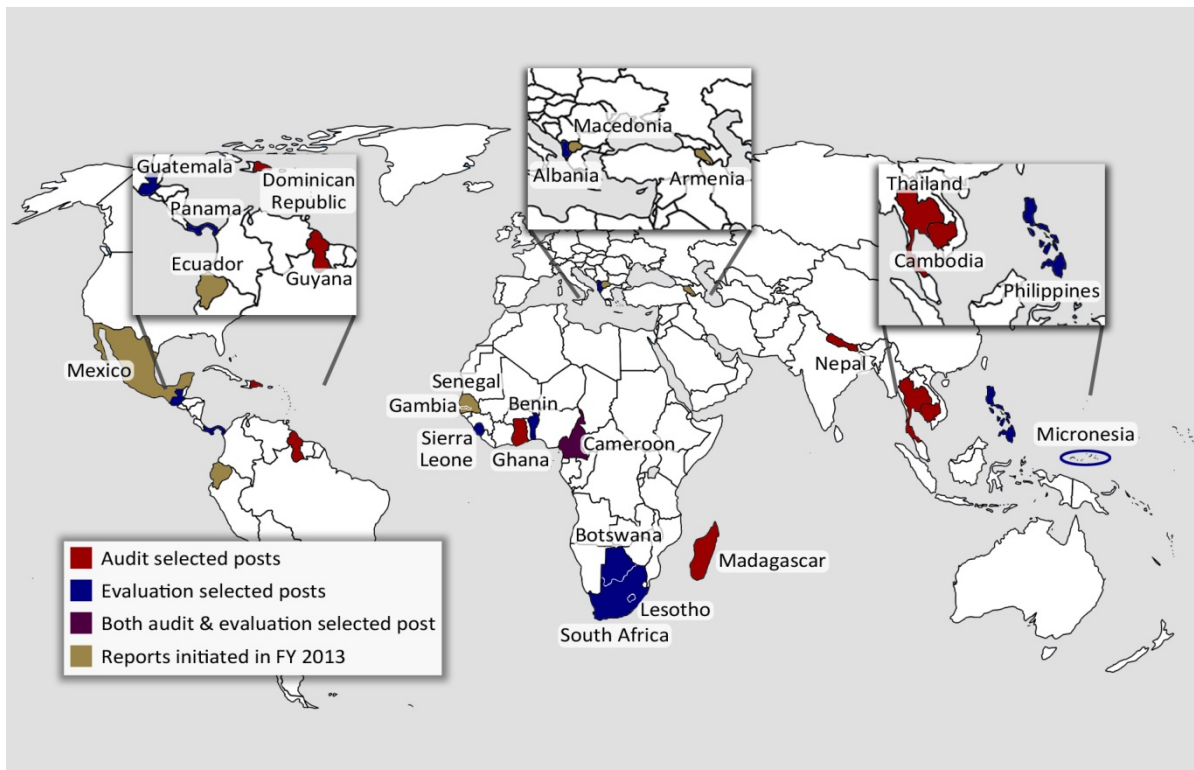
The 2013 Management Challenge areas are listed below:

- Information Technology Management (identified in 2009)
- Effective and Timely Remediation of OIG Findings and Recommendations (identified in 2010)
- Business Processes and Information Systems (identified in 2011)
- Excessive Personnel Turnover (identified in 2012)
- Programming and Volunteer Training (identified in 2012)
- Accountability of Medical Supplies (identified in 2012)

In addition to the Management Challenges, OIG also plans to conduct the following advice and assistance functions in support of agency goals and objectives:

- Provide technical assistance to Peace Corps managers on issues related to financial and administrative policies, procedures, best practices, and effective internal controls.
- Deliver best practices presentations at regional conferences for post staff and other conferences or meetings as requested.
- Provide overseas staff training sessions to assist country directors, administrative, and program and training staff in performing their functions effectively and efficiently and in compliance with federal law, regulations and agency policy.
- Provide Volunteers/trainees (V/T) and agency staff with informational materials, guidance, trainings, and other presentations on the role of OIG and on how to effectively report fraud, waste, abuse, mismanagement, serious administrative misconduct or criminal wrongdoing involving Peace Corps staff, contractors or other V/T. OIG informational material will also emphasize channels for reporting confidentially and the prohibition against reprisal. Development and distribution of informational material will be coordinated by the OIG Outreach Committee.
- Continue to focus on agency-wide systemic issues or functional areas that affect multiple systems or posts.
- Utilize OIG report findings, recommendations, and trends as a tool to effect change in management practices.

Posts Identified in the FY 2014 Audit and Evaluation Annual Plans



Audit Unit

The Audit Unit conducts audits and other reviews of agency programs and financial and administrative operations that support the Peace Corps' mission and its Volunteers serving around the world. The unit performs audits of the agency's field activities at overseas posts and its administrative support functions at headquarters and domestic recruiting offices. The unit also contracts with independent public accounting firms to conduct an audit of the agency's financial statements and a review of agency's compliance with the Federal Information Security Management Act. Audits are performed in accordance with *Generally Accepted Government Auditing Standards* issued by the Comptroller General of the United States.

Post Audits

We considered the following factors when developing our audit schedule:

- Input from regional and other headquarters management and staff
- Interval since the last audit
- Number of Volunteers serving
- Size, maturity and cost of the post
- Trends and anomalies in the agency's financial data

Based on these factors, we intend to initiate audits of at least five of the following posts. Final selection and scheduling of post audits will be decided during the year. We will work with regional management to finalize the audit schedule for selected posts based on available resources and post constraints.

Post Audits	
Africa	EMA
Cameroon*	Cambodia
Ghana*	Nepal
Madagascar	Thailand
	IAP
	Dominican Republic*
	Guyana*

*Posts receiving the President's Emergency Plan for AIDS (PEPFAR) funds.

During the post audits mentioned above, we will assess areas of concern and processes that present challenges to overseas posts. We also review funds received by Peace Corps posts related to PEPFAR.

Agency-Wide Programs and Special Reviews

The Audit Unit intends to initiate, perform or complete a variety of audits, reviews, and follow-ups of agency-wide programs. These projects are cross-functional and may require assistance from other

OIG units. Although we will not be issuing a separate report, we continue to review the managers' internal control program and report on its effectiveness in our audits.

We also intend to initiate an audit or review of at least two of the following programs:

Program Audits and Reviews
Volunteer Safety and Security Program
Volunteer and Personal Services Contractor Payments
Medical Supply Acquisitions
Contracting Services
Staff Travel and Conferences

Legislatively Mandated Work

We will oversee the following legislatively mandated work:

Legislatively Mandated Work	
Audit of Peace Corps' FY 2014 Financial Statements	The Accountability of Tax Dollars Act of 2002 mandates that the agency subject its financial statements for audit. OIG contracts with an independent public accounting (IPA) firm to perform the audit. OIG monitors the IPA firm's work to ensure that it is of acceptable quality, in compliance with federal law and applicable standards, and is completed within the established milestones.
Review of the Peace Corps' Information Security Program	OIG is responsible Federal Information Security Management Act requirements such as performing reviews of the Peace Corps' information systems security program and reporting related selected data to the Office of Management and Budget annually.

Reports Initiated in FY 2013

The following projects were initiated in FY 2013 and are scheduled to be completed in FY 2014: post audits of Armenia, Macedonia, The Gambia, and Senegal¹; reviews of Volunteer pre-service screening and Hiring of U.S. direct hires abroad; capstone reports on imprest fund operations and credit card use overseas; and an audit of a medical services contract.

¹ The Audit of Senegal was announced in FY 2013; however, the audit is suspended until Q2 of FY 2014 due to the lapse in appropriation.

Evaluation Unit

The Evaluation Unit conducts independent assessments of the design, implementation, and results of agency operations, programs, and policies. Our goal is to provide timely, credible, and useful information to agency managers, policymakers, and others on program operations and policy issues. We accomplish this through evaluations of the management and program operations of the Peace Corps at overseas posts and domestic offices. We also participate in cross-functional reviews of agency operations undertaken with OIG auditors or investigators.

OIG evaluations promote integrity, efficiency, and effectiveness, identify best practices, and recommend program improvements and means to comply with Peace Corps policies. The Evaluation Unit conducts reviews and assessments using applicable Federal laws, regulations, and Peace Corps policies, procedures, and performance plans, including the agency's Integrated Planning and Budget System (IPBS) and strategic plans. Evaluations are conducted under the direction and guidance of the Assistant Inspector General for Evaluations and in accordance with the *Quality Standards for Inspections and Evaluations*, published by the Council of the Inspectors General on Integrity and Efficiency. These standards are instrumental in maintaining impartiality, reliability, and credibility, and they set the bar for staff competency, independence, professional judgment, internal quality controls, and stakeholder feedback for process improvements.

Country Program Evaluations

We considered the following factors when developing our evaluation schedule:

- Requests from the Congress and agency managers, including country directors
- Conditions about the post or domestic operations brought to our attention by Volunteers, trainees, or staff
- Conditions that indicate a need to evaluate the program to assure the health and safety of Volunteers and staff or to identify and deter fraud, waste, abuse, and mismanagement
- New or changed conditions affecting post operations; indications of either high or low performance
- Size, maturity, and cost of the post
- All-Volunteer Survey results, Volunteer safety data, and resignation rates
- Interval since the last country program evaluation

Based on these factors, we intend to initiate program evaluations of at least five of the 11 posts in the following chart. Final selection of the posts and the timing of the evaluations will be decided during the year. We will work with regional management to finalize the evaluation schedule for selected posts based on available resources and post constraints, and we will coordinate the scheduling of fieldwork with the post in advance of our visit.

Country Program Evaluations	
Africa	EMA
Benin	Albania
Botswana	Philippines
Cameroon	IAP
Lesotho	Guatemala
Sierra Leone	Micronesia
South Africa	Panama

Agency-Wide Programs and Special Reviews

We will also initiate two evaluations that encompass agency-wide programs and operations: an evaluation of global partnerships and one of overseas staff training programs. We will issue a trends report on the agency's new country entry or reentry process that will include an analysis of best practices, emerging issues, and risk areas based on data collected during prior evaluations and audits. The Evaluation Unit will also participate in the audit of the Volunteer Safety and Security Program.

Agency-Wide Programs and Special Reviews
Evaluation of Peace Corps' Global Partnerships
Evaluation of Overseas Staff Training Programs
Trends Report: New Country Entry/Reentry Process

Reports initiated in FY 2013

The following projects were initiated in FY 2013 and are scheduled to be completed in FY 2014: evaluation of Peace Corps' sexual assault risk reduction and response training; evaluation of Peace Corps' sexual assault policy; and country program evaluations of Armenia, Ecuador, and Mexico.

Investigation Unit

The Investigation Unit assists the Peace Corps in maintaining integrity in its programs and operations by investigating allegations of fraud, waste, abuse, and misconduct involving grant, contract, and procurement fraud; violations of law and agency policies committed by Peace Corps personnel, contractors, and vendors; and the Federal Employees' Compensation Act (FECA)² claimants.

Our investigations are conducted in accordance with the IG Act, the Attorney General Guidelines for Offices of Inspectors General with Statutory Law Enforcement Authority,³ and the Quality Standards for Investigations issued by the President's Council on Integrity and Efficiency and affirmed by the Council of Inspectors General on Government Integrity and Efficiency. Our investigations can result in criminal prosecutions, civil monetary penalties, sanctions and personnel actions, including verbal counseling, suspensions, debarments, and termination from Peace Corps service.

Investigative Priorities

In addition to pursuing a variety of allegations and complaints from multiple sources, in FY 2014 the Investigation Unit will engage in the following:

- Prioritize sexual assault and PROTECT Act⁴ allegations against Peace Corps staff or Volunteers.
- Investigate and refer crimes occurring with the Special Maritime and Territorial Jurisdiction⁵ of the United States for U.S. prosecution.
- When appropriate, seek local prosecutions by working with Diplomatic Security Service and other federal agencies.
- Pursue fraud involving FECA claims by proactively working with the Audit and Evaluation Units and external partners.
- Review audit findings related to property management to assess potential risks and vulnerabilities, with a focus on high dollar and pilferable items such as computers, motorcycles, vehicles, radios, etc.
- Ensure referral of individuals and entities for suspension and debarment, as appropriate.
- Continue coordination with the Audit and Evaluation Units to investigate vulnerabilities with Peace Corps contracts and Volunteer-managed grants.
- Deliver fraud awareness training to staff and Volunteers.

² See 5 U.S.C. §§ 8101 *et seq.*

³ In FY 2010 Attorney General Eric H. Holder, Jr. authorized OIG to exercise statutory law enforcement powers pursuant to Section 6(e) of the IG Act and in accordance with the *Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority*. This authority provides OIG with additional law enforcement tools including the authority to, upon probable cause, seek and execute warrants for arrest, search premises or seize evidence, make arrests without a warrant while engaged in official duties, and carry firearms.

⁴ Prosecutorial remedies and other tools to end the exploitation of children today (Pub. L. 108-21)

⁵ See generally 18 U.S.C. § 7. A number of U.S. criminal laws apply outside of the United States. In many cases these laws are meant to apply to U.S. nationals who become a victim of crime abroad, or who are perpetrators of crimes abroad under certain conditions. Examples include when the crime is committed in a property owned, leased, or used for a government purpose, such as at a Peace Corps post, training office, or similar site. Another circumstance relates to crimes occurring in residences used by the Peace Corps or its personnel, which may include residences where Volunteers or staff permanently reside.

- Provide an overview of investigative procedures to the Office of Safety and Security, and provide technical assistance in the event of a Volunteer homicide.
- Strengthen our engagement with Volunteers by offering information about OIG resources and mechanisms for making confidential complaints.
- Enhance Investigative Unit's ability to respond and investigate PROTECT Act allegations and Volunteer on Volunteer crimes through further training.

Legislatively Mandated Work

The Investigation Unit must produce a biennial report in accordance with section 2, section 8E (d)(1)(A) of the Kate Puzey Act. The first report was issued in the first quarter of FY 2013; the next report will be issued in the first quarter of FY 2015.

Legislatively Mandated Work	
Complaints or allegations received from Volunteers or returned Peace Corps Volunteers	OIG will continue to track complaints or allegations originating with Volunteers about Peace Corps staff relating to misconduct, mismanagement, or policy violations; any breaches of the confidentiality of Volunteers; and any actions to assure the safety of Volunteers who file such complaints.

Interagency Cooperation

During the preceding year the Investigation Unit firmly established working relationships with other law enforcement agencies, most notably the Diplomatic Security Service, and leveraged the relationship to more effectively investigate crimes occurring overseas. In FY 2014, the Investigation Unit will focus on furthering its relationships with other OIGs, including USAID, the Export-Import Bank, the State Department, and the Defense Criminal Investigative Service.