



Peace Corps Office of Inspector General



Jordanian Hillside



Petra



Flag of Jordan

Final Audit Report **Peace Corps/Jordan**



FINAL AUDIT REPORT

Peace Corps/Jordan

IG-07-17-A

A handwritten signature in blue ink, appearing to read "H. David Kotz", is written over a horizontal line.

H. David Kotz, Inspector General

September 2007

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EXECUTIVE SUMMARY

OUR MISSION

“TO PROMOTE AND PRESERVE THE EFFECTIVENESS, INTEGRITY, AND EFFICIENCY OF THE PEACE CORPS”

The Office of Inspector General conducts regular audits of Peace Corps operations at the agency’s headquarters, regional recruitment offices, and overseas posts.

We found that Peace Corps/Jordan’s financial and administrative operations and its compliance with agency policies and federal regulations required improvement in a number of areas. Some of the more important findings are summarized below.

Imprest fund management – The post’s actual imprest fund accountability was \$10,000 greater than its authorized advance at the date of our review. In addition, the post made recurring payments over \$500 using the emergency payments procedure.

Volunteer allowances – The post did not conduct independent settling-in allowance surveys.

Billings and collections – The billings register did not include collections information. Also, the post billed for personal cell phone use regardless of amount. Finally, the post did not follow standard billing and collection procedures for personal calls by Volunteer wardens.

Purchase card – The post did not use its purchase card.

Records management – The financial assistant’s office contained a large number of unfiled documents. Further, his personal services contractor (PSC) files contained loose and out-of-sequence documents.

Vehicle management – Staff did not review the daily vehicle usage logs. Further, the logs did not include a column for the starting odometer reading. In addition, the post did not submit an updated vehicle status report following the sale of a vehicle.

Travel management – Staff did not sign their travel authorizations nor did they submit their travel vouchers within five days of a trip’s completion. Further, staff’s international travel vouchers contained errors in preparation.

Personnel management – The post’s time and attendance records and practices were deficient and not in accordance with agency and post policy and procedures.

Procurement – The post’s PSC files contained discrepancies, and three of the post’s four leases did not include signed letters of acceptance. Further, the post did not maintain documentation of the results of the RSO’s security clearance investigations.

Medical supplies – The post did not perform an inventory of medical supplies monthly. Further, the medical supplies inventory listing contained discrepancies.

The section “Post Staffing” includes a summary of comments from post staff whom we interviewed.

Our report contains 31 recommendations, which, if implemented, should strengthen internal controls and correct the deficiencies detailed in the accompanying report.

INTRODUCTION

GENERAL

The Office of Inspector General conducted an audit of Peace Corps/Jordan May 6 - 24, 2007. We previously performed an audit of the post in fiscal year 2001.

BACKGROUND

Over 300 Volunteers have served in Jordan since Peace Corps/Jordan began its program in 1997. The program was suspended in November 2002 and resumed with the arrival of Volunteers in February 2004. Volunteers currently work in three project areas: English education (TEFL), special education, and youth development.

During the course of the audit, the country director completed her 5 ½ year tenure; the new country director arrived near the end of the audit.

OBJECTIVE

Our overall objective in auditing overseas posts is to determine whether the financial and administrative operations were functioning effectively and complying with Peace Corps policies and federal regulations. Appendix A provides a full description of our audit objective, scope, and methodology.

AUDIT RESULTS

Peace Corps/Jordan's financial and administrative operations required improvement in a number of areas. For example, we found that the post did not:

- Maintain an actual imprest fund accountability in line with the amount authorized.
- Include collections information on the billings register and review that information periodically to verify the status of billings.
- Conduct independent surveys to evaluate the adequacy of the Volunteer settling-in allowance.
- Request its staff to sign travel authorizations and ensure that staff submitted timely and accurate travel vouchers.
- Keep an accurate inventory listing of medical supplies.

IMPREST FUND MANAGEMENT

IMPREST FUND ACCOUNTABILITY

The post had an actual imprest fund accountability \$10,000 greater than the amount authorized.

The cashier was authorized a permanent imprest fund advance of \$15,000 by the U.S. Disbursing Officer (USDO).

However, at the time of our review of the imprest fund, the cashier's actual accountability in the form of cash on hand and documents in local currency and U.S. dollars amounted to \$25,000, an overage of \$10,000. According to the post's cash reconciliations, the overage ranged from \$10,000 to \$14,353 during the prior six months. As a result, the agency had more of its cash resources located in Jordan than was authorized or anticipated.

Overseas Financial Management Handbook (OFMH) section 15.7 states: "Maximum accountability is the maximum amount to support normal operations, as authorized by the USDO."

The cashier stated that the overage resulted from the equivalent of \$10,000 in local currency proceeds from the sale of an agency vehicle and computer equipment which she placed in the imprest fund in December 2006. She told us that she continued to request replenishment checks and did not draw down the amount in order to provide a cash cushion in the event of an emergency.

RECURRING PAYMENTS

The post made recurring payments over \$500 using the emergency approval procedure.

The post made routine payments over \$500 from the imprest fund to certain vendors for telephone and utilities. To do this, the post used the agency's emergency payments procedure requiring signature approval for each payment by the country director.

OFMH section 15.4 regarding payments from the imprest fund states: "Payments over \$500 require special approval." Further, according to Peace Corps Manual (PCM) section 760.6.2.1, emergency payments require, for each payment, approval of the country director along with a justification. However, for recurring payments, such as those made by the post, a waiver from the Office of the Chief Financial Officer (OCFO) should be obtained.

The country director stated that she was not aware of the possibility of obtaining a waiver for recurring payments and thus used the emergency payments procedure.

IMPREST FUND SECURITY

The cashier did not keep all cash in locked boxes in the safe.

The cashier kept a portion of local currency loose in the safe because it did not fit inside her local currency cash box. This made the currency susceptible to misuse or inadvertent commingling with other items in the safe.

OFMH section 15.11.1 requires that imprest funds be stored in locked cash boxes in the safe.

During the course of the audit, the cashier acquired an additional cash box with lock and secured the unboxed local currency inside. Accordingly, no recommendation is being made.

RECOMMENDATIONS

We recommend:

- 1. That the post reduce its actual imprest fund accountability so that it is in line with its authorized advance.**

2. That the post cease using the emergency payments procedure for recurring imprest fund payments over \$500 and instead request a waiver from the Office of the Chief Financial Officer.

VOLUNTEER ALLOWANCES

INDEPENDENT SETTLING-IN ALLOWANCE SURVEYS

The post did not conduct independent settling-in allowance surveys.

The post conducted Volunteer settling-in allowance surveys for fiscal years 2006 and 2007. However, it did not conduct independent surveys for these years to verify the results of the Volunteer surveys as required by PCM section 221.4.2.

An independent survey is important because it provides the country director with a verification of price trends and supports the results of the Volunteer surveys.

The administrative officer stated that he did not realize that an independent survey was required to evaluate the settling-in allowance.

For fiscal year 2006, the post conducted an independent living allowance survey using market basket information obtained only in the capital city of Amman, where no Volunteers were located. For fiscal year 2007, the post used information from representative regions of the country.

NOTIFICATIONS OF DEPARTING VOLUNTEERS

The post did not send all e-mail notifications of departing Volunteers to headquarters within 24 hours.

For the most part, the post sent its e-mail notifications of departing Volunteers within 24 hours, as required by PCM section 223.4.2. However, we noted two notifications which were sent two workdays after the departure date. In addition, one e-mail notification was incorrectly dated. As the post has, in general, been timely in its submissions, no recommendation is being made.

RECOMMENDATION

We recommend:

3. That the post conduct independent settling-in allowance surveys and use the results to verify the results of the Volunteer settling-in allowance surveys.

BILLINGS AND COLLECTIONS

BILLINGS REGISTER

The post did not include collections information in its billings register.

The post's billings register ("billings log") did not contain the collections information required by Attachment E to PCM section 777, as follows:

- The register did not include the date and amount collected and the general receipt number. As a result, the billing officer and the administrative officer were unable to effectively and efficiently monitor collections by reviewing the register. The financial assistant stated that he monitored the status of billings by scanning the ForPost "Outstanding Collections Report." If the billing was not listed, he said that he assumed that it had been collected.
- The register did not contain a column for debtor/payee name as required. For fiscal year 2006, the debtor's name did not appear at all on the register, making it impossible to review the register to identify who the debtors were and follow up on outstanding items. For fiscal year 2007, the debtor's name was noted in parentheses in the "description" column.

The financial assistant, who is the billing officer, showed us a new billings register which included the required collections information and a column for debtor/payee. He told us that he would begin using the new register immediately.

DUPLICATION OF ENTRIES

One bill of collection was duplicated on the billing register.

One bill of collection was listed twice on the billings register, as 06-C022 (the correct number) and again as 06-C024. The billing officer stated that the duplicate listing was an

PERSONAL CALLS BY STAFF

oversight and that he did not notice it during his review of the register.

The post billed staff for personal cell phone calls regardless of amount.

The post billed staff for personal cell phone calls monthly regardless of the amount of the calls. We noted numerous monthly billings under 3 Jordanian dinars (JD), equivalent to approximately \$4, and one billing for .83 JD, equivalent to approximately \$1. From a cost/benefit standpoint, billing in small amounts costs the post more to process than the amount collected and thus is an inefficient use of resources.

The billing officer stated that he had raised the possibility of setting a minimum amount to be billed but that it was not implemented.

PERSONAL CALLS BY VOLUNTEER WARDENS

The post did not follow agency billing and collection procedure for personal phone calls by Volunteer wardens.

The post provided its Volunteer wardens¹ with cell phones to use for contact and emergency purposes. It permitted the Volunteer wardens to use these phones for personal calls. The post did not follow agency billing and collection procedures by issuing bills of collection but instead reduced the Volunteers' monthly living allowance in the amount of the personal phone charges. There was no authorization on file from the Volunteers for these reductions. Besides not adhering to agency billing procedure, the post was required to bill the bank handling living allowances on a monthly basis in order to collect the personal phone charges.

The new country director told us that to ensure that the Volunteer wardens carry their phones with them for safety and security reasons, he intended to continue to permit the wardens to use their post-issued cell phones to make personal phone calls.

PCM section 777.1.2 states that agency billing procedures apply to Volunteers. Further, PCM section 777.4.1.1 states that the bill of collection "will be used as the Agency billing document in all cases except where a letter billing is considered the best instrument." Additionally, PCM section 777.8.0, "Amounts due from Agency Employees, Volunteers,

¹ The post currently has six Volunteer wardens.

Experts, etc.” states that the billing officer “will issue a separate or summary bill at the end of each month.”

RECOMMENDATIONS

We recommend:

4. That the post include columns for required collection information and debtor/payee name in its billing register.
5. That the post perform a review of billings for fiscal years 2006 and 2007 to determine if they have been collected and take appropriate action for those which have not been collected.
6. That the administrative officer review the billings register on a monthly basis.
7. That the country director determine a minimum cost-effective amount for billing for personal phone calls.
8. That the post follow agency billing and collection procedures for personal phone charges by Volunteer wardens on post-issued cell phones.

OBLIGATIONS AND LIQUIDATIONS

OUTSTANDING OBLIGATIONS

The status of obligations report contained balances that were no longer required.

The post’s status of obligations report for FY 2006 showed open balances, which according to the administrative officer, were no longer needed.

PCM section 753.8.2 requires that a review to adjust obligations in order to match, as closely as possible, final expected liquidation levels be conducted at least quarterly. The review ensures that the post’s records reflect only valid obligations.

The administrative officer told us that the outstanding balances could be deobligated. He subsequently provided documentation to us evidencing that this had been done. Accordingly, no recommendation is being made.

PURCHASE CARD

PURCHASE CARD USE

The post did not use the purchase card.

The post did not use its purchase card. OFMH section 45 states: "Purchase card is the primary method of purchase for supplies and services...." As the result of not using the purchase card, the post was required to maintain more cash on hand than would otherwise be needed.

The administrative officer told us that he did not use the card because of the 3% bank fee that was added by most vendors who accepted the card. He further told us that he would begin using it immediately after determining which vendors accepted the purchase card.

RECOMMENDATION

We recommend:

- 9. That the administrative officer use the purchase card in accordance with agency policy.**

RECORDS MANAGEMENT

UNFILED DOCUMENTS

The financial assistant's office had a large number of unfiled documents.

We noted a stack of documents in the financial assistant's office awaiting filing. We counted 107 copies of bills of collection with attached general receipts and copies of cash vouchers for fiscal year 2007. As a result, the financial assistant's files were incomplete.

PCM section 894.2.3.2.6 states: "Don't let a backlog of unfiled materials accumulate."

The financial assistant told us that he had been given the copies of the bills of collection a week prior to the audit by the cashier and had not had the opportunity to file them.

CONTRACTOR FILE ORGANIZATION

The post's contractor files contained loose and out of sequence documents.

The post's personal services contractor files maintained by the financial assistant contained documents placed loose in the folders and other documents out of chronological sequence. Further, carry-forward documents were commingled with old and superseded documents.

PCM section 894.2.3.1 states that documents should be properly assembled and arranged in chronological sequence.

Improved file organization would make it easier to locate needed items and ensure that the files are complete.

RECOMMENDATIONS

We recommend:

- 10. That the financial assistant properly file the loose documents noted during the audit.**
- 11. That the administrative officer request the cashier to forward to the financial assistant copies of bills of collections with general receipts attached in a timely manner so that the financial assistant can promptly enter the collection information in the billings register and file the documents.**
- 12. That the financial assistant review and properly organize the contractor files.**

VEHICLE MANAGEMENT

VEHICLE LOG REVIEW

Staff did not review the daily vehicle usage logs.

PCM section 522.4.1.7 requires that the administrative officer review the daily vehicle usage logs on a weekly basis and maintain the log for review by the country director on a monthly basis. Additionally, PCM section 527.6.1 requires that staff members responsible for keeping vehicle maintenance records, initiating vehicle repairs, and billing for authorized non-official use review, initial, and date the log weekly.

ODOMETER READING

There was no evidence of review of the vehicle logs by the required staff members. The post's general services officer (GSO) stated that he reviewed the logs on an ongoing basis but that he did not document his review.

Review of the logs is essential in order to verify that the post's vehicles are being used appropriately.

The daily vehicle usage logs did not include a column for the starting odometer reading.

The daily vehicle usage logs did not contain a column for the starting odometer reading as required by Attachment B to PCM section 522. Without this information, it was not possible to ascertain from the logs if there was unrecorded and unauthorized use of the post's vehicles.

During the course of the audit, the GSO revised the log to include a column for the starting odometer reading; he stated that he intended to put it into use immediately. Subsequent to the audit, the administrative officer provided us with a copy of an updated and correctly completed and reviewed log. Accordingly, we are making no recommendation.

UPDATED VEHICLE STATUS REPORT

The post did not submit an updated vehicle status report following the sale of a vehicle.

The post sold a vehicle at auction in October 2006. However, it did not submit an updated vehicle status report to headquarters. PCM section 527.6.2 states: "An updated report should be submitted whenever a significant change in the fleet occurs." Submission of an updated report ensures that headquarters' vehicle records are current and in line with those of the post.

The administrative officer stated that he did not realize that an updated report was required.

VEHICLE CEILING

The post's vehicle status report showed a different maximum number of vehicles authorized than that understood by the administrative officer.

The post's vehicle status report showed authorization for seven vehicles. However, the administrative officer told us his understanding was that the post's vehicle ceiling was six vehicles. Proper management of and control over the

agency's vehicle resources require that Administrative Services in headquarters and the post be in agreement as to the number of authorized vehicles.

RECOMMENDATIONS

We recommend:

- 13. That the post submit an updated vehicle status report upon changes in the fleet.**
- 14. That the post confirm with Administrative Services in headquarters the correct vehicle ceiling and include it on the vehicle status report.**

TRAVEL MANAGEMENT

TRAVEL AUTHORIZATIONS

Staff did not sign their travel authorizations.

Agency staff are required to sign their travel authorizations (TAs) in the space indicated. However, post management did not instruct staff to sign their TAs, and the staff did not sign them.

According to PCM section 812.18.1.1, the TA "constitutes the legal basis for performing official travel and incurring related expenses." Signing the TA documents the traveler's agreement with its provisions.

TRAVEL VOUCHER TIMELINESS

Staff did not always submit their travel vouchers within five days of a trip's completion.

Staff submitted their travel voucher up to three weeks after their return from trips. PCM section 812.18.10 states that travel vouchers "must be completed and submitted within five working days after completion of travel."

TRAVEL VOUCHER PREPARATION

The post's international travel vouchers contained deficiencies.

We noted deficiencies in the staff's preparation of travel vouchers, as follows:

- A staff member who arrived in Amman in the morning from an international trip did not take per diem for that day.
- A staff member took 75% per diem for the two travel days upon departure and the two travel days upon return rather than for only the first and last days of travel.
- A staff member used an incorrect per diem rate for a stopover during international travel.
- A staff member used an outdated per diem rate for a conference in Sofia, Bulgaria (\$82 versus the correct \$90 rate).

In addition, the per diem rate for Washington, DC in the instructions memo for the winter 2007 Overseas Staff Training (OST) was incorrect: \$41 in the memo versus the correct per diem rate of \$52 (\$64 in accordance with the General Services Administration per diem, less \$12 for full breakfast provided per the memo). As a result, a PC/Jordan staff member who attended OST used the incorrect rate that was provided in the instructions memo on his travel voucher.

International travel vouchers should be prepared in accordance with federal travel regulations and agency guidelines in PCM section 812 and OFMH section 52.

These errors were not caught during the post's review and approval process. The country director was unable to provide an explanation.

The errors, including the error in the OST instructions memo, were identified and corrected during the voucher review process in headquarters.

RECOMMENDATIONS

We recommend:

- 15. That the post instruct its staff to sign travel authorizations.**
- 16. That the post instruct its staff to submit their travel vouchers within five working days after a trip's completion and institute a control procedure to monitor the staff's compliance.**

17. That the post communicate the travel voucher completion deficiencies noted during the audit to its staff and reinforce to them the importance of proper travel voucher preparation.
18. That post senior staff perform careful and comprehensive reviews of the staff's international travel vouchers and ensure that errors are corrected before the approved travel vouchers are submitted to headquarters.

PERSONNEL MANAGEMENT

TIME AND ATTENDANCE

The post's time and attendance records and practices were deficient.

Our review of the post's time and attendance records and practices found deficiencies. Some deficiencies related to a lack of appropriate documentation on file, while others related to a departure from agency and post time and attendance policy and procedure, including guidance in PCM sections 742.6.1 and 630.4.6. For example:

- Several compensatory time (comp time) forms were not on file for comp time earned and comp time taken.
- The comp time balance for one staff member exceeded the maximum 24 hours permitted by post policy. According to the programming and training officer, the situation resulted from the inability of staff involved in pre-service training (PST) to use comp time during PST. However, there was no documentation on file authorizing this exception to post policy.
- The entry for holidays off was not differentiated from holidays worked on the PC-57 forms maintained by the timekeeper for all staff.
- There was no current authorization on file for staff to work weekends during PST. The timekeeper stated that she was relying on a handwritten note of authorization from the country director from fiscal year 2004.

- The driver did not regularly post his overtime hours to his timesheet and the timekeeper did not carry over the driver's overtime hours to his PC-57 form.
- The base hourly rate used to calculate the driver's overtime pay remained unchanged for at least the last three years even though his base pay, which is supposed to be used to calculate the base hourly overtime rate, rose. The financial assistant stated that he had been following the methodology of his predecessor to keep the base hourly rate used for calculating overtime constant.
- The "vacation pay" section of the PSC contract was at variance with post policy.
- PC-57s were signed by supervisors on December 15 as required. We were unable to verify that they had also been signed on June 15 as required by PCM section 742.8.0 because, according to the timekeeper, these were discarded upon the signing of PC-57s on December 15.

RECOMMENDATION

We recommend:

- 19. That the timekeeper ensure that approved compensatory (comp) time forms are on file for comp time earned and comp time taken by staff.**
- 20. That the country director authorize exceptions to post time and attendance policy in writing and provide authorization documentation to the timekeeper.**
- 21. That the timekeeper differentiate the entries for holidays off and holidays worked on the staff's PC-57 forms.**
- 22. That the driver's supervisor verify that the driver enters his overtime hours on his timesheet.**
- 23. That the timekeeper post the driver's overtime hours to his PC-57 form.**
- 24. That the country director ensure that the driver's overtime pay is calculated in accordance with his contract.**

25. That the country director ensure that the vacation pay section of the PSC contract agrees with post policy.

PROCUREMENT

CONTRACTOR FILES

The post's contractor files contained discrepancies.

Our review of the post's personal services contractor (PSC) files disclosed the following discrepancies:

- Two signed intelligence background information certifications, required by PCM section 743.8.1, were not checked "yes" or "no" regarding prior intelligence activity. These were corrected during the course of the audit.
- Statements of work, required by PCM section 743.9.4 for the purpose of acknowledging by contractual signature the work required, were not attached to or included in the contracts that the PSCs signed. Rather, they were filed loose in the PSC files.
- The enter on duty date required by the agency's PSC contract template in Attachment E to PCM section 743 was incorrect.
- There was no documentation on file of the results of security clearance investigation performed by the Deputy RSO (DRSO) and required by PCM section 743.8.0. The post's safety and security coordinator told us that the DRSO communicated the results to him by phone and that he passed along the results to the country director orally. The DRSO confirmed to us that security clearances were current.

LETTERS OF ACCEPTANCE

Three leases did not contain signed letters of acceptance.

Three of the post's four leases did not have signed letters of acceptance. Appendix A to the standard agency lease in PCM section 733, Attachment A, requires a signed letter of acceptance.

Such letters are important to document when the post takes possession of the leased property and the lease term commences.

RECOMMENDATIONS

We recommend:

- 26. That the post attach statements of work to, or include the statements of work within, the signed PSC contracts.**
- 27. That the post use the correct enter on duty date in its PSC contracts.**
- 28. That the post request the RSO to provide the results of his security clearance investigations in writing and that the results be placed in the staff's files.**
- 29. That post's future leases contain signed letters of acceptance.**

MEDICAL SUPPLIES

MEDICAL SUPPLIES INVENTORY

The post did not conduct an inventory of medical supplies monthly.

The PCMO informed us that she performed a physical inventory of medical supplies every three months. PCM section 734.2.1.6 and Medical Technical Guideline 200.6 require that the post conduct a physical inventory of medical supplies monthly.

Timely inventories are essential in ensuring that the medical supplies inventory records are accurate.

The PCMO stated that she was aware of the requirement but had not had the time to do so.

INVENTORY LISTING

The medical supplies inventory listing was not accurate.

We noted discrepancies between the medical supplies on hand and the inventory listing. In addition, vaccines kept in the medical unit's refrigerator were not being recorded on the listing. Further, medical supplies from departing Volunteers'

medical kits that were determined to be usable and returned to the medical unit's shelves were not included in the medical inventory records.

PCM section 734.2.1.6 and Technical Guideline 200.6 state that the PCMO is responsible for establishing the accuracy of inventories.

The PCMO told us that she recognized the importance of accurate inventory records and that she would become more involved in ensuring their accuracy. She also stated that the medical assistant did not fully understand how to perform certain entries on the new inventory system that had been acquired from another post and that the medical assistant would contact the other post's medical unit to clarify how certain entries should be made.

RECOMMENDATIONS

We recommend:

- 30. That the PCMO perform an inventory of medical supplies monthly.**
- 31. That the PCMO and medical assistant conduct a complete physical inventory of medical supplies and update the inventory records.**

LIST OF RECOMMENDATIONS

WE RECOMMEND:

1. That the post reduce its actual imprest fund accountability so that it is in line with its authorized advance.
2. That the post cease using the emergency payments procedure for recurring imprest fund payments over \$500 and instead request a waiver from the Office of the Chief Financial Officer.
3. That the post conduct independent settling-in allowance surveys and use the results to verify the results of the Volunteer settling-in allowance surveys.
4. That the post include columns for required collection information and debtor/payee name in its billing register.
5. That the post perform a review of billings for fiscal years 2006 and 2007 to determine if they have been collected and take appropriate action for those which have not been collected.
6. That the administrative officer review the billings register on a monthly basis.
7. That the country director determine a minimum cost-effective amount for billing for personal phone calls.
8. That the post follow agency billing and collection procedures for personal phone charges by Volunteer wardens on post-issued cell phones.
9. That the administrative officer use the purchase card in accordance with agency policy.
10. That the financial assistant properly file the loose documents noted during the audit.
11. That the administrative officer request the cashier to forward to the financial assistant copies of bills of collections with general receipts attached in a timely manner so that the financial assistant can promptly enter the collection information in the billings register and file the documents.
12. That the financial assistant review and properly organize the contractor files.
13. That the post submit an updated vehicle status report upon changes in the fleet.
14. That the post confirm with Administrative Services in headquarters the correct vehicle ceiling and include it on the vehicle status report.
15. That the post instruct its staff to sign travel authorizations.

16. That the post instruct its staff to submit their travel vouchers within five working days after a trip's completion and institute a control procedure to monitor the staff's compliance.
17. That the post communicate the travel voucher completion deficiencies noted during the audit to its staff and reinforce to them the importance of proper travel voucher preparation.
18. That post senior staff perform careful and comprehensive reviews of the staff's international travel vouchers and ensure that errors are corrected before the approved travel vouchers are submitted to headquarters.
19. That the timekeeper ensure that approved compensatory (comp) time forms are on file for comp time earned and comp time taken by staff.
20. That the country director authorize exceptions to post time and attendance policy in writing and provide authorization documentation to the timekeeper.
21. That the timekeeper differentiate the entries for holidays off and holidays worked on the staff's PC-57 forms.
22. That the driver's supervisor verify that the driver enters his overtime hours on his timesheet.
23. That the timekeeper post the driver's overtime hours to his PC-57 form.
24. That the country director ensure that the driver's overtime pay is calculated in accordance with his contract.
25. That the country director ensure that the vacation pay section of the PSC contract agrees with post policy.
26. That the post attach statements of work to, or include the statements of work within, the signed PSC contracts.
27. That the post use the correct enter on duty date in its PSC contracts.
28. That the post request the RSO to provide the results of his security clearance investigations in writing and that the results be placed in the staff's files.
29. That post's future leases contain signed letters of acceptance.
30. That the PCMO perform an inventory of medical supplies monthly.
31. That the PCMO and medical assistant conduct a complete physical inventory of medical supplies and update the inventory records.

POST STAFFING

At the time of our visit, the post had 18 staff positions. The positions included three U.S. direct hire employees, two foreign service nationals, and 13 personal services contractors. We interviewed nine staff, who all stated that they enjoyed working for the Peace Corps. Many cited, in particular, the close working relationships, teamwork, and congenial working environment within the office. Several local staff asked about training opportunities to strengthen their job performance skills and to grow professionally. Volunteers we interviewed praised the active involvement and encouraging manner of the program staff and acknowledged the administrative unit's positive attitude, availability, and helpfulness.

PC/Jordan Positions

Position	Status
Country Director	USDH
Executive Assistant	PSC
Administrative Officer	USDH
Programming and Training Officer	USDH
Program Manager/TEFL	PSC
Program Manager/Youth and Community Development, and Special Education	PSC
Training Manager	PSC
Programming and Training Assistant	PSC
Peace Corps Medical Officer	PSC
Medical Assistant	PSC
Safety and Security Coordinator	PSC
IT Specialist	PSC
Cashier	FSN
Financial Assistant	FSN
General Services Officer	PSC
General Services Assistant/Driver	PSC
General Services Assistant/Homestay Coordinator	PSC
Receptionist	PSC

APPENDIX A

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective in auditing overseas posts is to determine whether the financial and administrative operations are functioning effectively and comply with Peace Corps policies and federal regulations. Our audit conclusions are based on information from three sources: (1) document and data analysis, (2) interviews, and (3) direct observation. Our audits are conducted in accordance with the government auditing standards prescribed by the Comptroller General of the United States.

The audit of Peace Corps/Jordan covered fiscal years 2006 and 2007 through March 31, 2007. While at the post, we interviewed key staff: the country director, the administrative officer, staff responsible for administrative support, and the medical officer. We also interviewed six Volunteers to obtain their views on the effectiveness of the post's administrative and financial systems in supporting them, and we visited a selection of Small Project Assistance projects funded by the United States Agency for International Development. At the end of our review, we briefed the country director and administrative officer. At headquarters, we conducted a general briefing for regional staff.

We relied on computer-processed data from the post's accounting system. While we did not test the system's controls, we believe the information generated by the system and used by us was sufficiently reliable for our audit objective.

Our audit criteria were derived from the following sources: the Peace Corps Manual, the Overseas Financial Management Handbook, current Peace Corps initiatives and policies, and other federal regulations.

APPENDIX B


REGION'S RESPONSE TO THE PRELIMINARY REPORT



Peace Corps

MEMORANDUM

To: H. David Kotz, Inspector General

From: Jay Katzen, EMA Regional Director 

Date: August 27, 2007

Subject: **Regional Response to the Preliminary Report on the Audit of Peace Corps/Jordan (July 2007)**

It is with pleasure that EMA Region and PC/Jordan respond to the Preliminary Audit Report on Peace Corps/Jordan. Post concurs with all recommendations, and all 31 have now been implemented.

Attached is our response citing each item number with text as required. The Region has then provided the necessary explanation in support of our concurrence. Lastly, we are attaching back-up documentation as noted in our text explanations.

Please do not hesitate to contact us with further questions.

Recommendations and Responses

- 1. That the post reduce its actual imprest fund accountability so that it is in line with its authorized advance.**

Concur

Completed. Post worked with the Overseas Cashier Liaison, the FMO, and ForPost Support to understand why the ForPost system incorrectly allowed Post to request replenishments over its accountability. It was determined that a wire transfer issued on 9/22/06 was never added into ForPost, causing the Cash on Hand figure to be less than the actual cash. Once this missing data (discrepancy) was added to ForPost, the issue was resolved. The system will no longer allow Jordan to request replenishments that exceed its approved Advance amounts. The attached scan of the current 365 shows Post is now under its authorized advance.

- 2. That the post cease using the emergency payments procedure for recurring imprest fund payments over \$500 and instead request a waiver from the Office of the Chief Financial Officer.**

Concur

Completed. Per the attached e-mail from the Director of GAP, Post will now follow the blanket waiver on Utility Payments and not use the emergency payments procedure.

- 3. That the post conduct independent settling-in allowance surveys and use the results to verify the results of the Volunteer settling-in allowance surveys.**

Concur

Completed. Please find attached settling-surveys completed by the GSO from the northern and southern regions of Jordan.

- 4. That the post include columns for required collection information and debtor/payee name in its billing register.**

Concur

Completed. Please see attached billing register.

- 5. That the post perform a review of billings for fiscal years 2006 and 2007 to determine if they have been collected and take appropriate action for those which have not been collected.**

Concur

Completed. The AO conducted a full review using the collections report available in ForPost. No collections were outstanding in 2006, and the AO was able to confirm that all Collections in 2007, excluding those just entered, had been completed successfully. Current Collection report attached.

- 6. That the administrative officer review the billings register on a monthly basis.**

Concur

Completed. AO now reviews on a monthly basis the Collections Log and Report in ForPost – please see attached/initialed reports.

- 7. That the country director determine a minimum cost-effective amount for billing for personal phone calls.**

Concur

Completed. CD concurs with direction from the director of GAP and has established a USD \$10/month minimum amount for billing personal calls. Please see attached memo.

- 8. That the post follow agency billing and collection procedures for personal phone charges by Volunteer wardens on post-issued cell phones.**

Concur

Completed. Post has e-mailed (see attached) and contacted by phone the current Volunteer Wardens and instructed them to maintain the Warden cell phone given to them by Peace Corps for warden business only. They have been instructed to use their own personal phone for all of their other calling needs. This will eliminate the need for monthly collections for personal calls from the Wardens.

- 9. That the administrative officer use the purchase card in accordance with agency policy.**

Concur

Completed. Post is now using the Purchase card. Please see attached Purchase Card Log.

- 10. That the financial assistant properly file the loose documents noted during the audit.**

Concur

Completed. AO reviewed the files on July 10, 2007, and all loose documents have been filed.

- 11. That the administrative officer request the cashier to forward to the financial assistant copies of bills of collections with general receipts attached in a timely manner so that the financial assistant can promptly enter the collection information in the billings register and file the documents.**

Concur

Completed. AO has instructed the Cashier to ensure that the general receipts are forwarded in a timely manner.

- 12. That the financial assistant review and properly organize the contractor files.**

Concur

Completed. AO reviewed the contractor files with the financial assistant on July 10, 2007 and verified that they are in proper order.

- 13. That the post submit an updated vehicle status report upon changes in the fleet.**

Concur

Completed. Attached is the VSR dated August 20, 2007 showing the sale of the Ford Explorer and including estimated mileages through August 31, 2007 as requested by OBO. (Annual VSRs from all posts are due to OBO by August 31, 2007.)

- 14. That the post confirm with Administrative Services in headquarters the correct vehicle ceiling and include it on the vehicle status report.**

Concur

Completed. Please find attached e-mail from OBO that states that Jordan has a ceiling of five. This is now accurately reflected in the VSR for Jordan.

- 15. That the post instruct its staff to sign travel authorizations.**

Concur

Completed. Peace Corps Jordan hired Fadi Daoud six months ago as GSO. Previously, Mr. Daoud worked as a voucher examiner at the US Embassy as part of the Iraq Support Unit. One of his major responsibilities was Travel Vouchers for hundreds of people assigned to Iraq. He received formal Treasury Department Management Training in Charleston; a scan of one certificate of training is attached.

The AO, Financial Assistant, and GSO (as the post's Travel Voucher expert) met to discuss vouchers, then prepared and presented a complete training with almost the entire staff on August 14th that clarified the rules around Travel Vouchers.

See the AO's email to the CD reference this staff training as well as AO's email to CAO about the same.

16. That the post instruct its staff to submit their travel vouchers within five working days after a trip's completion and institute a control procedure to monitor the staff's compliance.

Concur

Completed. Please see country director e-mail on this topic. The Financial Assistant will also send out an e-mail reminder the day the staff person returns.

17. That the post communicate the travel voucher completion deficiencies noted during the audit to its staff and reinforce to them the importance of proper travel voucher preparation.

Concur

Completed. Please see #15 above. The AO, Financial Assistant, and Travel Voucher expert met to discuss vouchers, and then prepared and presented a staff training on August 14, 2007 to reinforce the importance of proper travel voucher preparation.

18. That post senior staff perform careful and comprehensive reviews of the staff's international travel vouchers and ensure that errors are corrected before the approved travel vouchers are submitted to headquarters.

Concur

Completed. The CD has instructed the AO to personally review all international travel vouchers with the embassy-trained travel voucher expert (hired as GSO) to ensure that the travel vouchers are correct before submitting to Headquarter.

19. That the timekeeper ensure that approved compensatory (comp) time forms are on file for comp time earned and comp time taken by staff.

Concur

Completed. The AO reviewed procedures with the timekeeper, and has now ensured that the proper forms are now on file for all comp earned or used. See example attached.

20. That the country director authorize exceptions to post time and attendance policy in writing and provide authorization documentation to the timekeeper.

Concur

Completed. Please see attached e-mail providing written direction for staff working at the PST.

21. That the timekeeper differentiate the entries for holidays off and holidays worked on the staff's PC-57 forms.

Concur

Completed. The timekeeper has begun to differentiate for holidays off and holidays worked. Please see example attached.

22. That the driver's supervisor verify that the driver enters his overtime hours on his timesheet.

Concur

Completed. The driver was clearly instructed on July 12 to record his overtime on his timesheet. Please see attached example of new policy.

23. That the timekeeper post the driver's overtime hours to his PC-57 form.

Concur

Completed. The timekeeper will post the driver's overtime hours to his PC-57 form. See example attached.

24. That the country director ensure that the driver's overtime pay is calculated in accordance with his contract.

Concur

Completed. The Country Director reviewed the Driver's overtime pay and has determined that the driver will be paid in accordance to Clause VI of the Driver's contract stating that "the Contractor shall be paid in accordance with the procedures governing premium compensation applicable to direct hire Peace Corps foreign

service national (FSN) employees.” FSN overtime pay is governed by the Local Compensation Plan that states that Premium Pay Rates are determined as percentages of the hourly basic salary (see Attachment A included with this document). The Driver’s salary calculation page has been updated to reflect the higher OT Rates, and the Driver will now be compensated for his overtime at the new OT Rate that is a percentage of his basic pay – see attached updated contract salary calculation worksheet.

25. That the country director ensure that the vacation pay section of the PSC contract agrees with post policy.

Concur

Completed. The Country Director reviewed the vacation pay section of the PSC contract and issued an e-mail confirming the current policy. See attached e-mail.

26. That the post attach statements of work to, or include the statements of work within, the signed PSC contracts.

Concur

Completed. Post has stapled the statement of work to signed PSC contracts. Please see example attached.

27. That the post use the correct enter on duty date in its PSC contracts.

Concur

Completed. See attached listing to be corrected during next contract option renewal.

28. That the post request the RSO to provide the results of his security clearance investigations in writing and that the results be placed in the staff’s files.

Concur

Completed. As discussed between the RSO and the auditor, a separate form for each staff person has been completed. Please see attached documents.

29. That post’s future leases contain signed letters of acceptance.

Concur

Completed. Please find attached the Letter of Acceptance document that Post will use on all future leases.

30. That the PCMO perform an inventory of medical supplies monthly.

Concur

Completed. Please find attached the medical inventory for July.

31. That the PCMO and medical assistant conduct a complete physical inventory of medical supplies and update the inventory records.

Concur

Completed. Please find attached complete inventory for July. This inventory includes the returned medical kit supplies from COSed PCVs that were not in the inventory when the auditor visited.

OIG COMMENTS

The region concurred with all 31 recommendations. We closed recommendations numbers 1 - 24 and 26 - 31. Although we are closing recommendation no. 1, we stress that the post should not have requested replenishments beyond its imprest fund accountability.

Recommendation number 25 remains open pending confirmation from the chief compliance office that a copy of the revised PSC Contract Template has been received.

In their response, the region describes actions they are taking or intend to take to address the issues that prompted each of our recommendations. We wish to note that in closing recommendations, we are not certifying that they have taken these actions nor that we have reviewed their effect. Certifying compliance and verifying effectiveness are management's responsibilities. However, when we feel it is warranted, we may conduct a follow-up review to confirm that action has been taken and to evaluate the impact.

APPENDIX B

AUDIT COMPLETION AND OIG CONTACT

AUDIT COMPLETION

The audit was performed by senior auditor Steven Kaffen.

OIG CONTACT

If you wish to comment on the quality or usefulness of this report to help us strengthen our product, please e-mail Gerald P. Montoya, Assistant Inspector General for Audit, at gmontoya@peacecorps.gov, or call him at (202) 692-2907.

REPORT FRAUD, WASTE, ABUSE, AND MISMANAGEMENT

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