



# Peace Corps Office of Inspector General

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*The United States and the Republic of the Philippines  
flags at the entrance to the PC/Philippines office.*



*Rice terraces in  
Banaue, Philippines*



*Flag of Philippines*

## **FINAL AUDIT REPORT**

### **Peace Corps/Philippines**

**July 2008**



# **Final Audit Report: Peace Corps/Philippines**

A handwritten signature in blue ink that reads "Gerald P. Montoya". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

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Gerald P. Montoya  
Assistant Inspector General for Audits

July 2008

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# EXECUTIVE SUMMARY

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## 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, in general, Peace Corps/Philippines’ financial and administrative operations were functioning effectively and complied with agency policies and federal regulations.

However, we found areas which required improvement. Some of the more important findings are summarized below.

Imprest fund management – The post did not have signatures on file of individuals authorized to approve payments.

Volunteer allowances – The post did not review the adequacy of the settling-in allowance and did not complete an independent living allowance survey for FY 2006. In addition, the Volunteer travel per diem has not changed in over four years and has not been formally reviewed in at least three years.

Billings and collections – The post did not bill personal phone charges promptly.

Property management – The post’s property inventory listing included disposed items.

Travel management – Staff did not always submit their travel vouchers within five workdays of a trip’s completion. In addition, we noted errors in some staff’s international travel vouchers that were not identified during the post’s review process. Also, travel authorizations were not always signed by the traveler.

Personnel management – One intelligence background certification form was not on file. In addition, staff per diem rates have not changed in over five years and require review. Also, we noted that eleven staff members forfeited vacation leave in 2007. Further, the post has commenced, and needs to complete, a review of required weekend staff travel and determine if such travel is to result in compensatory time.

Medical supplies – The medical unit’s inventory listing of supplies did not include expiration dates. Further, the listing showed some incorrect drug measures on hand, and incorrect quantities.

IT security – Four Volunteers did not submit their signed computer use forms.

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

Our report contains 13 recommendations, which, if implemented, should strengthen internal controls and correct the deficiencies detailed in the accompanying report.

# INTRODUCTION

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## **GENERAL**

The Office of Inspector General conducted an audit of Peace Corps/Philippines January 16 – February 8, 2008. We previously performed a combined audit and safety and security assessment of the post in fiscal year 2002 and a follow-up audit in fiscal year 2004.

## **BACKGROUND**

The Peace Corps commenced operations in the Philippines in 1961. Since then, over 8,000 Volunteers have served there. At the time of the audit, 125 Volunteers, including three Peace Corps Response Volunteers, were working in three program areas: education; youth, children, and family services; and the environment.

## **OBJECTIVE**

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

# AUDIT RESULTS

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Peace Corps/Philippines' financial and administrative operations, in general, were functioning effectively and complied with agency policies and federal regulations.

However, we found that the post did not:

- Review the adequacy of the Volunteer settling-in allowance for fiscal year (FY) 2006.
- Use an independent survey in evaluating the adequacy of the Volunteer living allowance for FY 2006.
- Review and adjust, as needed, per diem rates for Volunteer and staff travel.
- Promptly bill staff for personal phone usage.
- Submit travel vouchers timely and have staff sign their travel authorizations.
- Maintain a complete and accurate inventory listing of medical supplies.

The post corrected a number of deficiencies during the course of the audit after they were brought to post management's attention.

## IMPREST FUND MANAGEMENT

### **AUTHORIZED SIGNATORIES**

*The cashier did not keep signatures of approving officials on file.*

Peace Corps Manual (PCM) section 760.6.1 and Overseas Financial Management Handbook (OFMH) section 13, exhibit D require that the cashier maintain the signatures of approving officials on file. This information is an important resource, particularly if someone other than the cashier is required to perform imprest functions.

We found that the cashier did not keep signatures of approving officials on file. The administrative officer stated that she was unaware this was required.

During the course of the audit, the administrative officer prepared a listing with the signatories of approving officials, and it was provided to the cashier. Accordingly, no recommendation is being made.

## VOLUNTEER ALLOWANCES

### SETTLING-IN ALLOWANCE SURVEYS

*The post did not review the adequacy of the Volunteer settling-in allowance for FY 2006.*

At the completion of pre-service training, newly assigned Volunteers are given a settling-in allowance to provide for their needs when arriving at their sites. PCM section 221.3.1 states that the allowance is for the purchase of “necessary housing supplies, clothing, and equipment.”

To verify that the allowance is adequate, PCM section 221.4.2 requires that the post conduct Volunteer settling-in allowance surveys and related independent surveys.

While the post requested and obtained settling-in data from the Volunteers who swore in during FY 2006, the post did not analyze and utilize the information to determine the allowance’s adequacy.

In addition, the post did not perform a related independent survey and use the results in reviewing the allowance.

The financial and administrative assistant, who was responsible for the surveys, acknowledged that the Volunteer-submitted survey data was not compiled and analyzed. He said that large variations in the data complicated the analysis, and the review was thus not performed. He had no explanation why the independent settling-in survey was not completed.

The administrative officer stated that an independent survey would be performed in evaluating the settling-in allowance for FY 2007.

Complete settling-in surveys are important so that new Volunteers have adequate allowances.

### INDEPENDENT LIVING ALLOWANCE SURVEYS

*The post did not complete an independent living allowance survey for FY 2006.*

PCM section 221.5.1 states: “Volunteers are entitled to a living allowance in order that they may serve effectively and safely overseas.”



## **VOLUNTEER TRAVEL PER DIEM**

To verify the adequacy of the allowance, posts are required by PCM section 221.5.5 to conduct a Volunteer living allowance survey and a related independent survey at least annually. Also, PCM section 221.5.5.3 states that “increases to the living allowance must be based on the findings of the Volunteer and independent surveys....No increase shall be approved based on the Volunteer survey alone.”

While the post conducted a Volunteer survey for FY 2006, it did not complete an independent survey. It obtained independent survey data from representative locations but did not analyze and utilize the data collected in determining the living allowance’s adequacy. The post increased the living allowance for rural Volunteers based on the Volunteer survey.

The administrative officer had no explanation why an independent survey was not completed. She told us that for the FY 2007 living allowance survey, independent data had been obtained and would be analyzed and used in determining the living allowance’s adequacy.

Properly executed surveys help ensure that Volunteers are receiving an adequate living allowance to serve effectively and safely.

*The post’s Volunteer travel per diem has not been adjusted in over four years.*

The Peace Corps Act, section 2504 (b), which is included in PCM section 101.1.0, states:

Volunteers shall be provided with such living, travel, and leave allowances...necessary for their maintenance and to insure their health and their capacity to serve effectively.

In this regard, Volunteers receive a per diem allowance when they travel between their sites and the Peace Corps office or other areas of the country on official business. The per diem is intended to cover the Volunteers’ reasonable out-of-pocket costs.

The post’s Volunteer travel per diem has not changed in over four years. The administrative officer told us that she had not performed a formal review of the per diem during her three-year tenure. Rising prices throughout the country may well indicate that the per diem requires adjustment.

## RECOMMENDATIONS

Besides being required by the Peace Corps Act, an adequate per diem rate is important to ensuring that Volunteers' expenses are covered when they perform approved travel.

We recommend:

1. That the post conduct Volunteer and related independent settling-in allowance surveys.
2. That the post conduct independent living allowance surveys and use the results in determining the adequacy of the Volunteer living allowance.
3. That the post conduct a review of the per diem rates for Volunteer travel and adjust them as required.

## BILLINGS AND COLLECTIONS

### PERSONAL PHONE CHARGES

*The post did not always bill timely for personal phone charges.*

PCM section 777.8.0, "Amounts due from Agency Employees, Volunteers, Experts, etc.," states that the billing officer "will issue a separate or summary bill at the end of each month." In addition, PCM section 777.16.4 states: "An employee indebtedness should be settled promptly."

Further, PCM section 777.15.1 states: "Aggressive action...shall be taken by the appropriate office heads or field officials to collect all claims."

The post did not always bill timely for personal phone calls made by staff. Examples are presented in the table below:

**Table 1. Examples of Delayed Phone Billings**

Period of Phone Usage	Amount (pesos)*	Date Billed	Date Collected
Oct. – Dec. 2005	2,966	5/23/06	6/6/06
Jul. – Aug. 2006	3,936	11/20/06	11/29/06
Oct. – Dec. 2006	5,501	5/16/07	5/17/07
Oct. – Dec. 2006	8,745	6/18/07	7/11/07
Nov. 2006 – Jun. 2007	7,745	8/30/07	8/30/07

\* \$1 = approximately 42 pesos.

The administrative officer told us that the delays in billing were due to the extended leave of the individual who distributes the phone bills to the staff for their review. However, the delays included periods during which this individual was not on leave. It appears that delays were also due to lack of timely follow-up with staff to return their reviewed phone bills and be billed for personal charges.

Timely billing and collection are essential to the management of post assets.

#### **PERSONAL CALLS BY STAFF**

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

PCM section 834.4.2 grants country directors the authority to set up a cost effective collection system for unauthorized calls.

We noted that the post billed staff for personal phone calls regardless of the amount of the calls. Some billings were as low as the local currency equivalent of \$0.25. 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.

In September 2007, the post implemented new headquarters guidance which requested that posts consider cost effectiveness in billing and that a minimum cut-off of \$10 would be acceptable. Accordingly, no recommendation is being made.

#### **RECOMMENDATION**

**We recommend:**

- 4. That the post provide phone bills with personal charges to staff for their review immediately upon the overall phone bill's receipt, and that the post bill personal phone charges within a timely period thereafter.**

## PROPERTY MANAGEMENT

### PROPERTY INVENTORY LISTING

*The post's property inventory listing contained disposed items.*

PCM section 511.5.5 requires that the post “ensure that all changes [to its inventory] have been entered in the property management database.”

We noted that the post's property inventory listing included disposed items. They had been identified as such but had not been removed from the listing of on-hand property.

During the course of the audit, the general services assistant, who is responsible for maintaining the listing, removed the disposed items from the active property inventory. Accordingly, no recommendation is being made.

## TRAVEL MANAGEMENT

### TRAVEL VOUCHER TIMELINESS

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

PCM section 812.18.10 states that travel vouchers “must be completed and submitted within five working days after completion of travel.”

Four of the eight travel vouchers we reviewed were submitted late. In two instances, staff submitted their vouchers approximately five weeks after completion of the trips; in the other two, the staff submitted their vouchers three weeks after trip completion.

The administrative officer had no explanation for the lateness in submission and, during the course of the audit, issued a reminder to the staff that they should submit their travel vouchers timely.

### TRAVEL VOUCHER PREPARATION

*The per diem rates used on two international travel vouchers were incorrect.*

International travel vouchers are required to be prepared in accordance with federal travel regulations and agency guidelines in PCM section 812 and OFMH section 55.

## TRAVEL AUTHORIZATIONS

OFMH section 55.6.2 states that it is the responsibility of the post to “review the voucher to ensure that information is complete and accurate.”

We noted incorrect per diem rates used in two of the eight international travel vouchers we reviewed. The errors were not identified during the post’s review and approval process. They were identified by the voucher examiner in the Office of Global Accounts Payable in headquarters and corrected.

The country director and the administrative officer were not able to provide an explanation why the discrepancies were not identified during the post’s review. The country director stated that the post would be more careful in the future.

*Staff did not always sign their travel authorizations.*

PCM section 812.18.1.1 states that the travel authorization (TA) “constitutes the legal basis for performing official travel and incurring related expenses.” Signing the TA documents the traveler’s agreement with its provisions.

Of the eight travel authorizations we reviewed, six were not signed by the traveler. Post management did not instruct staff to sign their TAs, and the staff did not always sign them.

## RECOMMENDATIONS

**We recommend:**

- 5. That the post institute a control procedure to ensure that staff are submitting travel vouchers within five working days after a trip’s completion.**
- 6. That the post instruct staff to sign their travel authorizations and monitor the staff’s compliance.**
- 7. That the post ensure that errors on the staff’s international travel vouchers are corrected before the approved vouchers are submitted to headquarters.**

## PERSONNEL MANAGEMENT

### CONTRACTOR FILES

*One intelligence background information certification was missing from the contractor's file.*

PCM section 743.8.1 requires that signed intelligence background information certifications be obtained from all staff.

We noted that one staff member had not completed the certification. The administrative officer told us that the staff member was out of the office at the time the form was circulated for signature.

During the course of the audit, the staff member completed the form, and it was placed in the contractor's file. Accordingly, no recommendation is being made.

### STAFF PER DIEM

*The post's in-country travel per diem has not been adjusted in at least five years.*

OFMH section 57.5 states that "CDs should establish...rates which reflect reasonable costs of travel."

The administrative officer stated that the rates had not been formally reviewed during her three-year tenure. We were informed that the in-country travel per diem has not changed in at least five years.

Several staff told us during interviews that the per diem rates were inadequate given cost increases throughout the country.

### ANNUAL LEAVE

*Eleven staff forfeited 2007 annual leave.*

The post's annual leave policy allows staff to carry over 80 hours of annual leave to the subsequent year. The remainder must be used or else forfeited.

The post's time and attendance records indicated that eleven staff forfeited annual leave for 2007. According to the post's records, one staff member forfeited 145 hours of annual leave; another, 115 hours; a third, 85 hours.

The administrative officer told us that she had reminded staff members of their outstanding leave balances in fall 2007 and that there was no coercion or undue work or other pressures

## COMPENSATORY TIME FOR TRAVEL

on the staff which resulted in these forfeitures. This information was borne out by interviews that we conducted with a number of staff, several of whom told us that it was their preference to come to work rather than to remain at home.

The country director stated that he was unaware of the situation and that he would speak with the staff about the importance for them to have time away from the office. He further stated that he would request all staff to submit leave plans to ensure that office work requirements would be handled and that staff would have the opportunity to take their leave.

*The post needs to complete its review of required weekend travel and determine if compensatory time shall be offered to staff.*

PCM section 743.10.5 states that “the country director may institute a written compensatory time policy for personal services contract staff.”

Program staff have been required on occasion to travel on weekend days in order to attend a meeting, training, or other event. In fall 2007, the post began a review of this weekend travel. Following completion of this review, a determination should be made on providing compensatory time for such travel.

Several program staff members told us during interviews that, in their opinion, compensatory time was appropriate since the travel was required. At the present time, such travel is performed on the staff members’ personal time.

To conduct the review, the administrative officer told us that she had, at a staff meeting in November 2007, requested that program staff provide her with examples of required weekend travel. She told us that she has not received this information. She stated that she needs this in order to review and analyze the nature of the weekend travel prior to considering if compensatory time might be possible. Another question to be addressed is the effect of providing compensatory time under Philippine labor law and other local requirements.

The country director told us that the post would complete the review and that he would make a determination.

## RECOMMENDATIONS

We recommend:

8. **That the country director monitor the status of annual leave and ensure that staff are given the opportunity to take their leave.**
9. **That the post complete the review of required weekend travel and that the country director determine if compensatory time can and shall be provided to staff.**

## MEDICAL SUPPLIES

### INVENTORY LISTING

*The post's medical supplies inventory listing was incomplete and inaccurate.*

PCM section 734.2.1.6 and Medical Technical Guideline section 200.6 state that the post's Peace Corps Medical Officer (PCMO) "is responsible for establishing the accuracy of inventories, maintaining appropriate controls, and ensuring the proper usage of all medical supplies and equipment."

We noted the following deficiencies in the inventory listing of medical supplies:

- The inventory listing did not include expiration dates. This information is critical to ensure that expired drugs are promptly removed from the inventory shelves and destroyed, and that drugs requiring reordering are properly identified. The PCMO told us that expiration date information has not been maintained on the listing since a new medical supplies inventory system was implemented about two years ago. The system, she stated, did not have a column for expiration date, and she did not know how to program the information into the system.
- Measures of the medical supplies on hand (such as bottles, boxes, tablets, etc.) were not always correct on the inventory listing.
- The inventory listing showed 20 medical kits, whereas only 15 kits were on hand.



- The count of one drug did not include the quantity of tablets contained in an opened bottle.

The country director expressed concern regarding the medical supplies inventory findings and stated: “The new PCMO, just hired, should improve the administration in the medical office.”

To properly serve the Volunteers, it is essential that the post’s medical supplies inventory listing be complete and accurate.

## RECOMMENDATIONS

**We recommend:**

- 10. That the post include expiration dates in the medical supplies inventory listing.**
- 11. That the post compare the measures (such as bottles, boxes, tablets, etc.) on the inventory listing with the medical supplies on hand and ensure that the items on the listing reflect the correct measures.**
- 12. That the country director ensure that an inventory of medical supplies is conducted on a monthly basis.**

## IT SECURITY

### VOLUNTEER COMPUTER USE FORMS

*The IT specialist did not have on file four Volunteer computer use forms.*

The IT specialist did not have the “IT Computer Guidelines Signature Form” of four Volunteers on file. This form is required to be signed by Volunteers, signifying that they understand and will abide by the guidelines for using Volunteer computers maintained in the office.

The IT specialist told us that he was aware of the missing forms and that he was following up with the four Volunteers. He stated that he had erred in not requiring the signatures at the time he made the presentation to them and handed out the forms.

Volunteer completion of this form is important because it ensures that they are aware of the guidelines for using the office computers and agree to abide by them.

**RECOMMENDATION**

We recommend:

- 13. That the IT specialist obtain the four missing Volunteer IT Computer Guidelines Signature Forms and place the forms in the IT files.**

## LIST OF RECOMMENDATIONS

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### **WE RECOMMEND:**

1. That the post conduct Volunteer and related independent settling-in allowance surveys.
2. That the post conduct independent living allowance surveys and use the results in determining the adequacy of the Volunteer living allowance.
3. That the post conduct a review of the per diem rates for Volunteer travel and adjust them as required.
4. That the post provide phone bills with personal charges to staff for their review immediately upon the overall phone bill's receipt, and that the post bill personal phone charges within a timely period thereafter.
5. That the post institute a control procedure to ensure that staff are submitting travel vouchers within five working days after a trip's completion.
6. That the post instruct staff to sign their travel authorizations and monitor the staff's compliance.
7. That the post ensure that errors on the staff's international travel vouchers are corrected before the approved vouchers are submitted to headquarters.
8. That the country director monitor the status of annual leave and ensure that staff are given the opportunity to take their leave.
9. That the post complete the review of required weekend travel and that the country director determine if compensatory time can and shall be provided to staff.
10. That the post include expiration dates in the medical supplies inventory listing.
11. That the post compare the measures (such as bottles, boxes, tablets, etc.) on the inventory listing with the medical supplies on hand and ensure that the items on the listing reflect the correct measures.
12. That the country director ensure that an inventory of medical supplies is conducted on a monthly basis.
13. That the IT specialist obtain the four missing Volunteer IT Computer Guidelines Signature Forms and place the forms in the IT files.

## POST STAFFING

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At the time of our visit, the post had 40 staff positions: three U.S. direct hire employees, three foreign service nationals, and 34 personal services contractors (two funded by the United States Agency for International Development).

We interviewed thirteen staff, who stated that they enjoyed working for the Peace Corps. Many cited their interaction with the Volunteers as a reason; some noted the mission of the Peace Corps and the congenial working environment within the office. Several program staff inquired about the possibility of compensatory time for required weekend travel and increasing staff in-country travel per diem rates to reflect rising costs. A few 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, medical, and Volunteer support staffs. They also told us that they had received effective support and assistance as needed from the administrative staff.

### PC/Philippines Positions

Position	Status
Country Director	USDH
Executive Assistant	PSC
Administrative Officer	USDH
Programming and Training Officer	USDH
Safety and Security Officer	PSC
IT Specialist	PSC
Regional Manager (4)	PSC
Sector Manager	FSN
Sector Manager (2)	PSC
Program Assistant (2)	PSC
Program Specialist (2) *	PSC
Peace Corps Response Coordinator	PSC
Training Manager	PSC
Training Coordinator (2)	PSC
Peace Corps Medical Officer (2)	PSC
Medical Technologist/Assistant	PSC
Cashier	FSN
Financial and Administrative Assistant	FSN
Administrative Assistant	PSC
Administrative Clerk	PSC
General Services Coordinator	PSC
General Services Assistant	PSC
Volunteer Support Assistant (2)	PSC
Resource Coordinator	PSC
Driver (3)	PSC
Receptionist	PSC
Custodian (2)	PSC
Mail Clerk	PSC

\* Funded by USAID.

## APPENDIX A

# OBJECTIVE, SCOPE, AND METHODOLOGY

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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/Philippines covered fiscal years 2006, 2007, and 2008 through December 31, 2007. While at the post, we interviewed key staff: the country director, the administrative officer, the programming and training officer, the safety and security coordinator, staff responsible for administrative support, and the senior medical officer. We also interviewed ten Volunteers to obtain their views on the effectiveness of the post's administrative and financial systems in supporting them, and we visited several Peace Corps Partnership Program and U.S. embassy-funded projects.

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**

**MANAGEMENT'S RESPONSE TO  
THE PRELIMINARY REPORT**


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**Peace  
Corps**

**MEMORANDUM**

**To:** Geoffrey Johnson, Acting Inspector General

**From:** Jay Katzen, EMA Regional Director 

**Date:** May 16, 2008

**Subject:** **Regional Response to the Preliminary Report on the Audit of Peace Corps/Philippines (April 2008)**

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It is with pleasure that EMA Region and PC/Philippines respond to the Preliminary Audit Report on Peace Corps/Philippines. EMA and Post concur with all thirteen recommendations.

Attached is our response to each recommendation with a description of the back-up documentation if applicable.

Please do not hesitate to contact us with further questions.

**Responses to Peace Corps Office of Inspector General  
Audit Findings & Recommendations - Philippines  
Preliminary Audit Report, April 2008**

May 16, 2008

***1. That the post conduct Volunteer and related independent settling-in allowance surveys.***

CONCUR.

Both the 2007 Living Allowance Survey and Settling In Allowance Survey were completed on January 31, 2008. The results were analyzed by the AO and summarized in the attached PowerPoint presentation. To validate the findings an independent review of the Philippine National Government statistics as well as a Peace Corps market basket survey were completed. Post is recommending an increase in the settling-in allowance with the 2008 mid-year review (currently underway).

Documentation attached. PowerPoint presentation was prepared and presented to PC staff and PCVs on April 11, 2008 by the new AO John Rekstad. Appendix A.

***2. That the post conduct independent living allowance surveys and use the results in determining the adequacy of the Volunteer living allowance.***

CONCUR.

This was completed as noted above, and the conclusion was there will not be an increase in the living allowance during the current year.

Documentation attached. PowerPoint presentation was prepared and presented to PC staff and PCVs on April 11, 2008 by the new AO John Rekstad. Appendix A.

***3. That the post conduct a review of the per diem rates for Volunteer travel and adjust them as required.***

CONCUR.

Based on results from Volunteer and staff surveys on per diem, including government rates within metro Manila, Post is recommending an increase in the per-diem rate during the 2008 mid-year review.



Documentation attached. PowerPoint presentation was prepared and presented to PC staff and PCVs on April 11, 2008 by the new AO John Rekstad. Appendix A.

***4. That the post provide phone bills with personal charges to staff for their review immediately upon the overall phone bill's receipt, and that the post bill personal phone charges within a timely period thereafter.***

CONCUR.

The Admin Office issued a memo in August 2007 instructing staff on the use of telephone and fax lines for personal and official use. Staff responded by purchasing their own cell phones. Monthly bills are now being photocopied upon receipt and distributed to staff members for certification, if applicable.

In cases where a staff member or Volunteer needs to use the land line or fax for personal use, pre-approval must be attained from the AO, and this is then logged. Upon receipt of the phone bill, the bill is matched to the log to analyze what cost will be billed, if any. Namely, billings for totals less than \$10 are not being collected.

Documentation attached: Memo from August 2007 and sample of a form signed by staff. Also included is the corresponding phone bill. Appendices B-1, B-2, B-3.

***5. That the post institute a control procedure to ensure that staff are submitting travel vouchers within five working days after a trip's completion.***

CONCUR.

The AO issued a memo to all staff on April 20, 2008 about timely submission of international travel vouchers. Further, upon booking the ticket, the Admin Unit now sets up daily reminders in Outlook that appear on the staff member's computer until the voucher is completed. For staff members whose vouchers are late, there is a three-step process:

1. Warning
2. Inform Supervisor
3. Do not issue travel advances

Documentation attached: Memo dated April 20, 2008. Appendix C.

***6. That the post instruct staff to sign their travel authorizations and monitor the staff's compliance.***

CONCUR.

The AO issued a memo to all staff in February 2008 requiring that travelers sign their travel vouchers. Also, before approving in FORPost, the AO ensures that staff has signed travel authorizations.

Documentation attached. Memo from February 2008. Appendix D.

***7. That the post ensure that errors on the staff's international travel vouchers are corrected before the approved vouchers are submitted to headquarters.***

CONCUR.

In April 2008, Post implemented a three-step review including the AA, FA and AO. Lastly, prior to being pouched to HQ, the receptionist photocopies the TV.

***8. That the country director monitor the status of annual leave and ensure that staff are given the opportunity to take their leave.***

CONCUR.

Admin will initiate a review of annual leave usage at the six and nine-month mark during each year and inform the CD of staff members who are not using their annual leave at a sufficient rate, so as to avoid losing leave at the end of the year. On a case by case basis, the CD will coordinate with the staff member and his/her supervisor to devise a plan to ensure that surplus hours are not forfeited.

The initial six-month mark begins in July 2008, at which time the CD will review the annual leave log for all staff.

***9. That the post complete the review of required weekend travel and that the country director determine if compensatory time can and shall be provided to staff.***

CONCUR.

The Administrative Officer issued a memo on Travel Status and Overtime in February 2007.

As the CD has been absent from Post for several weeks due to medical reasons, the final decision on compensatory time has not been resolved.

Documentation attached: AO memo of February 2007. Appendix E.

***10. That the post include expiration dates in the medical supplies inventory listing.***

CONCUR.

Inventory systems from different countries have been reviewed, and Post is finalizing on its own inventory system that supports the recommendations of the IG and which includes expiry dates.

As of early May 2008, revisions to this inventory system are being finalized by the IT Specialist, based on meetings with the PCMCs to determine the various requirements to be met. A pre-test of the inventory system will be completed by the medical staff before submitting to the CD (who is currently on Medical Leave) and the AO.

***11. That the post compare the measures (such as bottles, boxes, tablets, etc.) on the inventory listing with the medical supplies on hand and ensure that the items on the listing reflect the correct measures.***

CONCUR.

This has been corrected in the new inventory system.

***12. That the country director ensure that an inventory of medical supplies is conducted on a monthly basis.***

CONCUR.

The PCMC will work with the CD to ensure that monthly inventories are conducted and updates made to the inventory system.

***13. That the IT specialist obtain the four missing Volunteer IT Computer Guidelines Signature Forms and places the forms in the IT files.***

CONCUR.

See attached documentation (four signed forms). Appendix F.

## APPENDIX C

# OIG COMMENTS

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The region concurred with all 13 recommendations. We closed recommendation numbers 1 – 11 and 13. Recommendation number 12 remains open pending confirmation from the chief compliance officer that documentation has been received showing that the country director or designee is conducting a medical supplies inventory on a monthly basis.

In their response, management described 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 the region or post has 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 D**

# **AUDIT COMPLETION AND OIG CONTACT**

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### **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](mailto:gmontoya@peacecorps.gov), or call him at (202) 692-2907.

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