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OFFICE OF INSPECTOR GENERAL

To: Aaron Williams, Director
Dick Day, Regional Director, Africa
Daljit Bains, Chief Compliance Officer

From: Kathy A. Buller, Inspector General 

Date: September 12, 2011

Subject: Final Report on the Audit of Peace Corps/Rwanda
(IG-11-08-A)

Transmitted for your information is our final report on the audit of Peace Corps/Rwanda.

Management concurred with all 31 of the recommendations. We closed 30 recommendations based on evidence of corrective actions that address the recommendations.

Recommendation 8 remains open pending a copy of the analysis and results of the most recent Volunteer living allowance survey. We acknowledge your estimated date of completion of December 1, 2011. This recommendation will remain open pending confirmation from the chief compliance officer that the documentation reflected in OIG Analysis is received. Our comments, which are in the report as Appendix D, address these matters. Please respond with documentation to close the remaining open recommendation within 7 days of the estimated completion date. You may address questions regarding follow-up or documentation to Assistant Inspector General for Audit Bradley Grubb.

Please accept our thanks for your cooperation and assistance in our review.

Attachment

cc: Carrie Hessler-Radelet, Deputy Director
Stacy Rhodes, Chief of Staff/Chief of Operations
Elisa Montoya, White House Liaison/Senior Advisor to the Director
Bill Rubin, General Counsel
Joseph Hepp, Chief Financial Officer
Lynn Foden, Chief of Operations, Africa
Edward Hobson, Associate Director, Safety and Security
Esther Benjamin, Associate Director, Global Operations
Brenda Goodman, Deputy Associate Director, Volunteer Support
Larry Blake, Chief Administrative Officer, Africa

Larry Blake, Chief Administrative Officer, Africa
Mary Abrams, Country Director, Rwanda
Ryan Derni, Country Desk Officer, Rwanda



Peace Corps Office of Inspector General



PC/Driver Suedi Kayinamura waiting for a Volunteer



Source: CIA World Factbook



Flag of Rwanda

Final Audit Report: Peace Corps/Rwanda IG-11-08-A

September 2011

EXECUTIVE SUMMARY

The Office of Inspector General (OIG) conducted an audit of Peace Corps/Rwanda (hereafter, “the post”) August 18 – September 10, 2010. OIG found that the post’s financial and administrative operations and its compliance with agency policies and federal regulations required improvement.

We noted deficiencies in three internal control standards of the Government Accountability Office requiring a control environment, control activities, and effective monitoring. Some of the more important findings are summarized below.

Imprest Fund Management

The cashier did not set the combination to the imprest fund safe. Monthly verifications did not always include a complete review of supporting documentation and were done at or near the end of the month rather than on a “surprise” basis. Staff did not always settle their interim cash advances within three working days of issuance.

Volunteer Allowances

The Volunteer living allowance survey was not completed and Volunteer settling-in allowance survey submissions were not analyzed to determine whether the allowance amount was adequate.

Property Management

The post did not have adequate separation of duties over property management because the information technology (IT) specialist maintained the IT inventory database and performed the verification of IT property. In addition, required reconciliations of the database with supporting documents were not performed, and our audit found database discrepancies.

Vehicles Management

Vehicle usage logs were not reviewed in accordance with policy, and some logs were incomplete. In addition, written authorization for personal usage of vehicles by U.S. direct hire staff was not always on file.

Personnel Management and PSC contracts

PSC contract files were incomplete and disorganized. The post received temporary security certifications for personal services contractors (PSCs) after reopening in 2008, but had not followed up with the Regional Security Officer (RSO) to ensure staff had the final security certifications. The RSO subsequently provided the final security certifications for the 19 PSCs in November 2010.

In addition, staff reporting to the Director of Management and Operations (DMO) were not evaluated since the post’s inception.

Time and Attendance

The post had no formal policy regarding compensatory time, and it was not recorded in the post's records. The official time and attendance records (on Form PC-57) contained discrepancies and were not reviewed by supervisors. Further, time sheets were not always properly prepared.

Medical Supplies

The post did not fully implement the agency's medical supplies policy. Medical unit staff maintained custody and conducted the physical inventory of medical supplies. In addition, the country director did not submit the medical inventory control log annually.

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

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BACKGROUND

The Office of Inspector General conducted an audit of PC/Rwanda August 18 – September 10, 2010. The first group of Volunteers arrived in Rwanda in 1975. Political instability led to the evacuation of all Volunteers and staff in 1993. The Peace Corps reopened its Rwanda program in 2008, and Volunteers arrived in January 2009. At the time of our visit, 91 Volunteers were engaged in two project areas, health and education. PC/Rwanda's fiscal year 2010 budget was \$1,318,000. During the last days of the audit, the CD since inception transferred to another Peace Corps post and was replaced by a CD from another Africa region post. The DMO since inception left the post in October 2010.

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 during the period under audit. Appendix A provides a full description of our audit objective, scope, and methodology.

AUDIT RESULTS

IMPREST FUND MANAGEMENT

The cashier did not set the combination to the imprest fund safe.

Peace Corps Manual section(MS) 760.5.2 states:

The cashier must personally set the combination to the safe. The Embassy Regional Security Officer (RSO) or technician assisting with the changing of the combination is not authorized to set or know the combination to the safe.... The combination should be changed annually, whenever there is a change in cashiers, or whenever the combination becomes known to a person other than the cashier.

The imprest fund safe combination was set by the U.S. Embassy's assistant regional security officer (RSO) rather than by the cashier, as required by agency policy. The cashier told us that she had not been trained how to do it. During the course of the audit, the post acquired a new safe.

We recommend:

1. That the cashier be trained how to set the combination to the imprest fund safe, and change the combination at least annually.

Imprest fund activities were deficient.

MS760, *Overseas Financial Management Handbook* (OFMH) section 13, and the Foreign Affairs Manual Handbook of the U.S. Department of State (FAH) provide policy and procedural guidance relating to imprest fund cash controls. We noted the following deficiencies in imprest fund operations and management oversight:

- The cashier did not effectively monitor interim cash advances and notify the DMO of uncleared advances for follow-up action. In addition, some staff had two interim cash advances outstanding at the same time. We noted deficiencies on monthly verifications in FYs 2009 and 2010. For example, the May 2010 verification contained five interim advances outstanding for longer than a month, one of which was four months late. A monthly Checklist for Verifying Officer incorrectly responded “Yes” to clearing within three working days. Some checklists stated “Five working days,” which is not policy and was not accurate. During the audit, the DMO and the cashier made a concerted effort to reduce outstanding interim cash advances.
- As part of the monthly imprest fund verification, the DMO verified the cash balance and details supporting certain line items such as interim cash advances and accommodation exchange. However, she did not verify all reconciling items as required. In addition, imprest fund verifications were often performed at or near the end of the month, rather than on a staggered “surprise” basis.
- The cashier’s imprest fund documentation was not systematically organized nor well-controlled. Some documents requested by us were located only after extended periods of search by the cashier. Inadequate organization complicated effective cashiering and managerial oversight, and is contrary to effective file arrangement, according to OFMH section 22.2, “to easily locate needed material.”
- The cashier delivered accommodation exchange funds to U.S. direct hire staff in their offices. Cashiering transactions are required to be made through the cashier’s window.
- The cashier maintained a separate fund of amounts collected from Volunteers in her office. The fund was used to pay for future postal fees levied by the local post office on parcels sent them. MS 760.5.1 states that no funds may be stored in the cashier room or cage other than the imprest fund.

We recommend:

2. That director of management and operations remind staff post staff to clear their interim advances within three working days, and that the status of interim advances be properly reported on the Monthly Checklist for Verifying Officer.
3. That the cashier monitor interim cash advances and notify the director of management and operations of delinquent advances for follow-up as needed.

4. That the country director and the director of management and operations vary the timing each month of their imprest fund verifications, and review all reconciling items as part of the monthly verification process.
5. That the cashier, with the assistance of the director of management and operations, set up a system for organizing imprest fund documentation that facilitates monitoring and control.
6. That the cashier perform cashiering operations only in the cashier cage, maintain only the the post's imprest fund, and keep a copy of the receipt given the payee upon settlement of the interim cash advance.

VOLUNTEER ALLOWANCES

The post did not complete its FY 2010 living allowance survey to ensure Volunteer allowances were adequate.

In spring 2010, the post sent a living allowance survey to the first group of Volunteers. Thirteen Volunteers responded; however, no additional action was taken. Further, a market basket survey was not performed. The DMO acknowledged she was not aware of all living allowance survey requirements.

MS 221.5.1 states, "Volunteers are entitled to a living allowance in order that they may serve effectively and safely overseas." Living allowance surveys are the principal means by which a post verifies that the allowance is adequate and, if not, determines an appropriate adjustment.

MS 221.5.7.2 states:

To verify living allowance survey submissions, a Market Basket Survey shall be conducted by staff...
The market basket survey is to be used as a guide to validate the cost data on the living allowance survey submissions.

Volunteers rely upon the post to provide them with adequate allowances, which are mandated by Section 2504 of the Peace Corps Act. Complete living allowance surveys help ensure that the related allowance is adequate.

We recommend:

7. That the post perform a complete Volunteer living allowance survey and related market basket survey at least annually.

The post did not analyze the settling-in allowance survey submissions and conclude as to the allowance's adequacy.

At the conclusion of pre-service training, newly sworn-in Volunteers are given a settling-in allowance to provide for their needs when arriving at their sites. MS 221.3.1 states that the allowance is for the purchase of "necessary housing supplies and equipment." To verify that the allowance is adequate, MS 221.4.2 requires that the post conduct Volunteer settling-in surveys.

The post did not complete its review and evaluation of the Volunteer settling-in allowance. The post distributed the settling-in survey forms to the new Volunteers and received the Volunteers' responses. However, the post did not analyze the results and conclude as to the adequacy of the allowance.

We recommend:

8. That the post analyze the results of its Volunteer settling-in surveys and conclude as to the allowance's adequacy.

BILLINGS AND COLLECTIONS

The post did not appropriately handle personal phone call billing.

MS 777.16.4 states, "An employee indebtedness should be settled promptly."

Further, OFMH section 7.2.1 requires that the billing officer give a copy of the bill of collection (BOC) to the cashier.

We found that BOCs for personal phone usage were sometime issued late. We noted billings up to eleven months after the charge was incurred. The DMO told us that this was due to late billings by the billing officer and to certain staff members not promptly reviewing their phone bills to identify their personal calls.

Also, the billing officer did not provide a copy of the BOC to the cashier for use in handling collections.

We recommend:

9. That the billing officer bill staff for personal phone charges within a timely period after receipt of the phone bill, and provide a copy of the bill of collection to the cashier for use in performing collections.
10. That the director of management and operations remind staff that they must promptly verify their phone bills to identify personal calls, and monitor the staff's compliance.

OBLIGATIONS AND LIQUIDATIONS

Obligations were not being reviewed in a timely manner to verify their ongoing validity.

MS 753.8.2 states, “Unliquidated (outstanding) obligations should be reviewed at least quarterly” to determine whether any outstanding balance should be deobligated.

The DMO acknowledged that outstanding obligations were not being reviewed at least quarterly to verify that the balances were valid and deobligating those no longer needed. She identified several obligations that were no longer needed and told us that other open items might require deobligation but that she needed additional time to carefully review the status of obligations report. The new CD informed us that the financial assistant, with the CD’s involvement, would review the open obligations and deobligate those items no longer needed.

We recommend:

11. That the post review the status of obligations at least quarterly and deobligate those items that are no longer required.

PROPERTY MANAGEMENT

The post’s internal controls and procedures over property inventory, and its compliance with policy, required improvement.

“Standards for Internal Control in the Federal Government” (GAO/AIMD-00-21.3.1) issued by the Government Accountability Office (hereafter, GAO Standards) state, “An agency must establish physical control to secure and safeguard vulnerable assets.... Such assets should be periodically counted and compared to control records.” The GAO Standards assert that “...control activities help to ensure that all transactions are completely and accurately recorded.”

The GAO Standards also require the separation of incompatible duties. They state, “Key duties and responsibilities need to be divided and segregated among different people to reduce the risk of error or fraud.”

MS 511 requires that the property officer ensure all changes have been entered in the property management database before the physical inventory is conducted, and that the DMO reconcile the inventory against receiving reports and requisition forms at least once a quarter. Also, MS 511.6.2.2 requires the property officer maintain custody receipts listings when releasing non-expendable property to Volunteers, staff or contractors for use away from the Peace Corps office.

The post’s internal controls and procedures were inadequate, as follows:

- The IT specialist maintained the IT database and performed the physical inventory of IT property, violating the internal control requirement to segregate these responsibilities.

- The property officer did not reconcile the property inventory database with written documentation of changes before beginning the physical inventory, to make certain that the changes were recorded.
- The DMO did not reconcile the inventory against receiving reports and requisition forms at least once a quarter.
- The property officer did not obtain custody receipts for Peace Corps property maintained in the residences of the U.S. direct hire staff.
- The IT specialist maintained a sign-out file for laptop computers but had on file a form for only one of the four laptops issued to staff.

Cell phones were not recorded in the property inventory database but were kept on a control list maintained by the DMO. We found the list was incomplete as it did not include phones provided to two staff members. Also, while a sign-out form was in use, only two cell phones had forms on file. Further, medical equipment was not recorded in the property inventory database but rather on the listing of medical supplies. Similarly, two computers received in the prior month had not been recorded. Without proper controls the post could not ensure property records were accurate.

Adequate and properly implemented internal controls and procedures, and adherence to policy requirements, are essential for effective accountability and oversight over post property. Maintaining a proper property inventory database, updating it on an ongoing basis, performing periodic reconciliations, and conducting complete physical inventory verifications are important steps in protecting the property from waste, fraud, and abuse.

The above deficiencies made the post's property vulnerable to loss. Without appropriate controls in place, including segregation of duties and periodic reconciliations, and without accurate and reliable inventory data, property could well be lost or stolen, and the situation not identified. The resulting property loss would have an adverse financial impact on the post.

We recommend:

12. That the post conduct a complete inventory and verify that all post property has been recorded in the property inventory database, and ensure that sign-outs of post property provided to staff for their use have been documented.
13. That the director of management and operations reconcile the inventory against receiving reports and requisition forms at least quarterly, and that the property officer reconcile the property inventory database with written documentation of changes before the physical inventory is conducted.
14. That the property officer obtain custody receipts from the U.S. direct hire staff holding Peace Corps property in their residences.

VOLUNTEER PROPERTY HELD FOR SAFEKEEPING

The post's controls and procedures over Volunteer property held for safekeeping required strengthening.

The post maintained custody of Volunteer property for safekeeping. However, the CD's authorization for the post to take custody of Volunteer property was not on file. MS 235.3.5 states, "Peace Corps employees and contractors are not permitted to take custody of V/T [Volunteer/Trainee] property without the CD's written approval." Further, the listings of Volunteer property were attached to the envelopes containing the property, rather than maintained separate from the property to strengthen control.

In addition, the post inappropriately held Volunteers' no-fee passports. Interim Policy Statement 4-04 to MS 213 states, "Peace Corps agrees with advice from the Department of State that, for Safety and Security reasons, all V/T should keep their No-Fee Passports and Visas in their possession or at their sites." A memo from the CD dated April 15, 2009 requested the DMO to take possession of these because "it makes sense in Rwanda to protect PCV No-Fee passports in the office, rather than having PCVs keep them." Notwithstanding post procedure, we found that some no-fee passports were not on file. The DMO told us that Volunteers retrieved their passports when taking vacation outside the country or when performing banking in the capital. However, there was inadequate monitoring to ensure that retrieved passports were returned. As example, we noted an approval form on file for Volunteer vacation leave taken earlier in the year, but the no-fee passport had not been returned and there was no evidence of follow-up.

We recommend:

15. That the country director issue a memo authorizing the post to hold Volunteer property for safekeeping.
16. That the listings of Volunteer property accepted for safekeeping be kept in a different location than the property.
17. That the post comply with agency policy and have the Volunteers keep their no-fee passports or obtain a waiver, and that if no-fee passports are held by the post, adequate control procedures over the passports be established.

VEHICLES MANAGEMENT

The post did not routinely review vehicle use logs to ensure completeness and compliance with agency requirements.

Vehicles represent the agency's single most significant owned assets at a post, and their utilization and maintenance are major post costs. The importance of the agency's vehicle

investment and the opportunity for waste or abuse make oversight by post management essential. In recognition of the importance of ongoing oversight, agency policies have been established requiring regular, periodic reviews by post management of vehicle usage, primarily by scrutinizing the post's vehicle usage logs and investigating unusual or questionable items.

MS 527.6.1 states, "Each week, the log should be reviewed, initialed, and dated by the staff members responsible for: initiating vehicle repairs; billing for authorized, non-official use; and maintaining the vehicle maintenance record...."

MS 522.4.3 requires that the post obtain written approval for authorized personal usage by post staff of Peace Corps vehicles.

During our review, we found the logs were not always properly completed and oversight was not in compliance with agency requirements. We noted logs that had incomplete trip descriptions, departure and arrival times, or kilometers traveled. The DMO told us that she learned of the weekly review requirement at a June 2010 regional conference of DMOs, and she went back and reviewed, initialed, and dated the logs. The general services manager (GSM) told us that, while he did not document his log reviews, he occasionally reviewed them but sometimes did not have the time. The billing officer did not realize that he was required to perform a review.

In addition, written authorization for personal usage of Peace Corps vehicles was not on always file for U.S. direct hire staff. We found that authorization was on file for the departing CD's last 90 days and the new PCMO's first 90 days.

Adequate internal control over post vehicles is essential to ensure that the vehicles are being used appropriately and personal use is reimbursed.

We recommend:

18. That the required staff members review, initial, and date the vehicle usage logs weekly and investigate unusual or questionable postings.
19. That the director of management and operations remind U.S. direct hire staff of the requirement for prior written authorization for personal usage of Peace Corps vehicles.

The post did not keep vehicle maintenance records.

MS 527.6.1 states, "A maintenance record (see Attachment C) must be prepared for each vehicle and updated whenever maintenance is performed or maintenance expenses are reported."

The GSM did not keep maintenance records for the vehicles. He said that he did not realize these were required and that he monitored the kilometers of the vehicles to determine the need for regular maintenance.

Maintenance records are particularly important in Rwanda because the vehicles are subjected to substantial usage and wear, thus requiring effective ongoing monitoring and control over maintenance, both warranty and specialized. Maintenance records also permit the DMO to exercise appropriate oversight.

We recommend:

20. That the post keep maintenance records for the Peace Corps vehicles and that the records be reviewed periodically by the director of management and operations.

PERSONNEL MANAGEMENT AND PERSONAL SERVICES CONTRACTS

Final security background certifications were missing for many staff.

MS 743.8.2 states:

For all host country PSCs contracted for 260 work days or more, the Country Director must ask the Regional Security Officer (RSO) or his or her designee to conduct a background investigation...of the proposed PSC prior to executing the contract. If completion of the appropriate investigation will be delayed, the Country Director must obtain a temporary security certification from the RSO before execution of the Personal Services Contract.... Documentation of the security certification will be filed in the individual PSC's contract file at post.

Final security certifications or updates were missing for many staff. Temporary security certifications (which stated that they were effective for 120 days) were on file for most, but not all, staff; however, final certifications had not yet been obtained. The post's disorganized PSC files, discussed in the following comment, and the lack of a control list made it difficult for the CD and the DMO to monitor the status of security certifications and ensure that all were on file. The investigator in the RSO's office acknowledged that final security certifications were not all completed and told us that a reason for his delay was the considerable time required to investigate issues resulting from the past turmoil in Rwanda.

Subsequent to the audit, the post made a concerted effort to obtain final security certifications for all staff. We reviewed the final security certifications, which were issued by the RSO's office and forwarded by the post to the agency's Office of Safety and Security. Accordingly, no recommendation is being made.

The post's personnel files were incomplete.

MS 743.8.4 states: "Prospective PSCs are required to complete the Intelligence Background form provided as Attachment A to Manual Section 611, in addition to being certified through the appropriate security clearance process."

MS 743.19.0 states: "It is U.S. Government policy that a PSC's performance be evaluated during and at the completion of each contract.... All PSCs will be evaluated by the Country

Director, or another Peace Corps employee designated by the Country Director....” OFMH section 3.1 requires that the CD ensure that staff are evaluated.

Staff reporting to the DMO had not been formally evaluated since the post’s inception. During the course of the audit, the DMO began evaluating the administrative staff. Evaluations are important as they provide feedback to staff and create the opportunity for a dialogue regarding past performance, future expectations, and career goals.

The PSC files, which were kept in the DMO’s office, were disorganized. OFMH section 22.2, “File Arrangement,” states that, “The key, regardless of the scheme used, is the ability of Post staff, now and in the future, to easily locate needed material.” During our review we observed loose and unfiled documents, many not in sequence or grouped by subject matter, which made it difficult to ensure that the files were complete and to locate specific material. We also noted that the first two pages of the PSC contract were kept separate from the remainder of the contract, for no apparent reason. Further, intelligence background certification forms were not obtained by the post from the staff; these were obtained subsequent to the audit.

We recommend:

21. That the country director ensure that staff are evaluated, and that copies of the evaluations be given to them.
22. That the staff personnel files be reviewed for completeness, accuracy, and appropriate organization and that complete and organized personnel files be maintained on an ongoing basis.

TIME AND ATTENDANCE

The post’s time and attendance records were inadequate.

MS 742.6.1 and 630.4.6 provide guidance in proper time and attendance procedure. Further, the GAO Standards require “accurate and timely recording of transactions and events” and state that “control activities help to ensure that all transactions are completely and accurately recorded.”

The post did not have a formal policy regarding compensatory time for extra hours worked. Rather, compensatory time off was handled on an informal basis upon request of the staff member. There was no record on the timesheets or the PC-57s of the hours worked that gave rise to the compensatory time, and no indication on the time sheets nor the leave forms of compensatory time taken. Proper internal control over time and attendance requires a complete accounting for all time including compensatory time.

In addition, the official time and attendance records were not reviewed by supervisors. Form PC-57 provides a place to document this review. These records are essential post documents for such information as hours worked and annual and sick leave, and should be reviewed for correctness periodically by supervisors.

We found numerous deficiencies with the post's bi-weekly time sheets, PC-57s, and staff compliance with procedure, as follows:

- On six PC-57s, the sick leave ceiling was incorrectly shown as 1040 hours and sick leave was incorrectly accrued at 40 hours per pay period. These amounts represented erroneous postings by the timekeeper and evidenced a lack of supervisory review of the PC-57s. Further, annual leave was not always correctly carried over from FY 2009 to FY 2010.
- Time sheets and PC-57s did not show extra time worked, principally by the drivers. Drivers' contracts were for a 48-hour workweek, yet their time sheets showed 40 hours of time worked.
- Time sheets were not always properly prepared. The timekeeper showed us a folder containing time sheets that needed follow-up and correction. Some staff used an incorrect start time of 8:45 a.m. instead of 8:00 a.m. with 45 minutes for lunch.
- While annual leave was able to be carried over, sick leave was not, per the timekeeper. Post policy needs clarification. The local compensation plan on file did not clearly specify mission sick leave policy.

According to the PC-57s, some staff had not used much of their leave since being hired in 2008 or 2009. Several staff told us that work requirements made it difficult to take time off.

At the time of our visit, the post did not have a staff manual to provide guidance on office policies and practices, including time and attendance. A staff manual in draft form was developed by the DMO. We noted that annual leave and sick leave hours in the draft manual differed from the hours used by the timekeeper.

We recommend:

23. That the post establish and communicate a compensatory time policy to ensure that staff record compensatory time on timesheets and that the time is reported on Form PC-57.
24. That the timekeeper, with oversight from the DMO, undertake a review of the accuracy of staffs' PC-57s for at least the last two years and make corrections as needed, and that on an ongoing basis, supervisors review their staff's PC-57s and document the reviews on the form.
25. That the post finalize and issue the staff manual, to include time and attendance policies.
26. That the country director review the status of leave balances to ensure that staff are taking the leave to which they are entitled.

TRAVEL MANAGEMENT

International travel vouchers were submitted late.

MS 812.18.10 states, “A travel voucher for each trip performed at Peace Corps expense must be completed and submitted within 5 working days after completion of travel.”

Of the 10 international travel vouchers reviewed by us for timeliness, seven were submitted late (ranging from three weeks to three working days late).

We recommend:

27. That the director of management and operations remind staff to submit their travel vouchers within five working days after completion of travel and monitor the staff’s compliance.

MEDICAL SUPPLIES

The post did not fully implement the agency’s medical supplies inventory policy.

MS 734 specifies the post’s requirements relating to medical supplies inventory. The policy was revised in November 2008 to strengthen internal controls and procedures over medical supplies.

MS 734.3.5 states, “Assurance that effective controls are in place is achieved through maintaining appropriate segregation of duties, accurate record keeping, secure storage, and periodic inventories.”

MS 734.3.5.3 (c) states, “Annually, the Medical Inventory Control Log must be signed by the CD and be submitted to OMS [Office of Medical Services] for review. The annual requirement for CD sign-off of the inventory of specially designated medical supplies and controlled substances will assess inventory on hand as of March 31 and is due to OMS by April 15 each year.”

“Peace Corps’ Plan to Reduce Use of Personally Identifiable Information and Social Security Numbers,” dated September 7, 2007, states: “Peace Corps’ policy is to eliminate the unnecessary collection and use of SSNs [Social Security Numbers].” Further: “In almost all cases, the Volunteer Identification Number could take the place of the SSN for Volunteers. There are only a few instances where SSNs are required, and none of these is overseas.”

The post did not begin implementing the agency’s medical supplies policy, issued in November 2008, until June 2010, when a quarterly physical inventory of medical supplies was conducted by the PCMO and the medical assistant. It should be conducted by a designated staff member from outside the medical unit. An MSIC clerk, responsible for maintaining the inventory records, was appointed in August 2010 and was in the process of setting up his control log.

In addition, the country director did not submit the medical inventory control log to OMS annually as required. The log is an important tool in OMS' review and oversight over post drugs.

Further, data forms accompanying specimens sent to the Centers for Disease Control and another laboratory in the United States contained labels from OMS with the Volunteers' complete SSNs. Subsequent to the audit, OMS informed us that they were no longer including the Volunteers' SSNs on the labels.

Adherence to agency medical supplies policy and timely reporting to OMS are important in order to control medical supplies. Effective internal controls and procedures are required to prevent theft, loss, or abuse of the post's medical supplies inventory and provide effective medical services to Volunteers.

We recommend:

28. That the medical supplies inventory control clerk maintain the post's medical supplies inventory records in accordance with agency policy.
29. That a person other than the medical unit staff or the medical supplies inventory control clerk perform the quarterly inventory of medical supplies.
30. That the country director submit the medical inventory control log to the Office of Medical Services annually as required.
31. That the medical unit ensure that specimens not include the Volunteers' social security numbers.

QUESTIONED COSTS AND FUNDS TO BE PUT TO BETTER USE

We did not identify any questioned costs or funds to be put to better use during the course of the audit.

LIST OF RECOMMENDATIONS

We recommend:

1. That the cashier be trained how to set the combination to the imprest fund safe, and change the combination at least annually.
2. That the director of management and operations remind post staff to clear their interim advances within three working days, and that the status of interim advances be properly reported on the Monthly Checklist for Verifying Officer.
3. That the cashier monitor interim cash advances and notify the director of management and operations of delinquent advances for follow-up as needed.
4. That the country director and the director of management and operations vary the timing each month of their imprest fund verifications, and review all reconciling items as part of the monthly verification process.
5. That the cashier, with the assistance of the director of management and operations, set up a system for organizing imprest fund documentation that facilitates monitoring and control.
6. That the cashier perform cashiering operations only in the cashier cage, maintain only the the post's imprest fund, and keep a copy of the receipt given the payee upon settlement of the interim cash advance.
7. That the post perform a complete Volunteer living allowance survey and related market basket survey at least annually.
8. That the post analyze the results of its Volunteer settling-in surveys and conclude as to the allowance's adequacy.
9. That the billing officer bill staff for personal phone charges within a timely period after receipt of the phone bill, and provide a copy of the bill of collection to the cashier for use in performing collections.
10. That the director of management and operations remind staff that they must promptly verify their phone bills to identify personal calls, and monitor the staff's compliance.
11. That the post review the status of obligations at least quarterly and deobligate those items that are no longer required.

12. That the post conduct a complete inventory and verify that all post property has been recorded in the property inventory database, and ensure that sign-outs of post property provided to staff for their use have been documented.
13. That the director of management and operations reconcile the inventory against receiving reports and requisition forms at least quarterly, and that the property officer reconcile the property inventory database with written documentation of changes before the physical inventory is conducted.
14. That the property officer obtain custody receipts from the U.S. direct hire staff holding Peace Corps property in their residences.
15. That the country director issue a memo authorizing the post to hold Volunteer property for safekeeping.
16. That the listings of Volunteer property accepted for safekeeping be kept in a different location than the property.
17. That the post comply with agency policy and have the Volunteers keep their no-fee passports or obtain a waiver, and that if no-fee passports are held by the post, adequate control procedures over the passports be established.
18. That the required staff members review, initial, and date the vehicle usage logs weekly and investigate unusual or questionable postings.
19. That the director of management and operations remind U.S. direct hire staff of the requirement for prior written authorization for personal usage of Peace Corps vehicles.
20. That the post keep maintenance records for the Peace Corps vehicles and that the records be reviewed periodically by the director of management and operations.
21. That the country director ensure that staff are evaluated, and that copies of the evaluations be given to them.
22. That the staff personnel files be reviewed for completeness, accuracy, and appropriate organization and that complete and organized personnel files be maintained on an ongoing basis.
23. That the post establish and communicate a compensatory time policy to ensure that staff record compensatory time on timesheets and that the time is reported on Form PC-57.
24. That the timekeeper, with oversight from the DMO, undertake a review of the accuracy of staffs' PC-57s for at least the last two years and make corrections as needed, and that on an ongoing basis, supervisors review their staff's PC-57s and document the reviews on the form.

25. That the post finalize and issue the staff manual, to include time and attendance policies.
26. That the country director review the status of leave balances to ensure that staff are taking the leave to which they are entitled.
27. That the director of management and operations remind staff to submit their travel vouchers within five working days after completion of travel and monitor the staff's compliance.
28. That the medical supplies inventory control clerk maintain the post's medical supplies inventory records in accordance with agency policy.
29. That a person other than the medical unit staff or the medical supplies inventory control clerk perform the quarterly inventory of medical supplies.
30. That the country director submit the medical inventory control log to the Office of Medical Services annually as required.
31. That the medical unit ensure that specimens not include the Volunteers' social security numbers.

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. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The audit of PC/Rwanda was conducted August 18 – September 10, 2010, and covered fiscal years 2008, 2009, and 2010 through July 31, 2010. While at the post, we interviewed key staff including the CD, the DMO, staff responsible for administrative support, and one of the two medical officers. All staff interviewed told us they enjoyed working at the Peace Corps and interacting with and supporting the Volunteers. Some staff told us they needed additional training to effectively perform their jobs. We also interviewed Volunteers to obtain their views on the effectiveness of the post’s administrative and financial systems in supporting them. Volunteers told us they appreciated the interest shown by the staff in their success and well-being.

As part of the audit process, we briefed the new CD and the DMO. At headquarters, we conducted a general briefing for regional staff.

We relied on computer-processed data from the post’s accounting system and verified such data with hard-copy documents as required. 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: federal regulations, the *Peace Corps Manual*, *Overseas Financial Management Handbook*, federal regulations, and Peace Corps policies and initiatives.

LIST OF ACRONYMS

CD	Country Director
DMO	Director of Management and Operations*
ESL	Engineering Security Liaison
FAH	Foreign Affairs Manual Handbook of the U.S. Department of State
GAO	Government Accountability Office
GSM	General Services Manager
MS	Peace Corps Manual Section
MSIC	Medical Supply Inventory Control
OFMH	Overseas Financial Management Handbook
OIG	Office of Inspector General
OMS	Office of Medical Services
PC	Peace Corps
PCMO	Peace Corps Medical Officer
PSC	Personal Services Contractor
RSO	Regional Security Officer
SSN	Social Security Number

* New position title for Administrative Officer.

MANAGEMENT'S RESPONSE TO THE PRELIMINARY REPORT



Since 1961.

MEMORANDUM

To: Kathy Buller, Inspector General

Through: Daljit Bains, Chief Compliance Officer 

From: Richard Day, Africa Regional Director
Mary Abrams, Country Director 

Date: August 18, 2011

CC: Stacy Rhodes, Chief of Staff/Chief of Operations
Carrie Hessler-Radelet, Deputy Director
Joaquin Ferrao, Deputy Inspector General
Esther Benjamin, Associate Director for Global Operations
Joseph Hepp, Chief Financial Officer
Bill Rubin, General Counsel
Brenda Goodman, Associate Director for Volunteer Support
Ami Richardson, Associate General Counsel, Africa
Mary Abrams, Country Director
Lynn Foden, Chief of Operations, Africa
Larry Blake, Chief Administrative Officer, Africa
Ryan Demi, Country Desk Officer

Subject: Response to the Preliminary Report on the Audit of Peace Corps/Rwanda

Enclosed please find the Africa Region's response to the recommendations made by the Inspector General for Peace Corps/Rwanda, as outlined in the Preliminary Audit Report of the IG Audit sent to the agency in late June 2011. The audit was conducted in August/September 2010 and Post received the Preliminary Audit Report on June 30, 2011.

The Africa Region concurs with all 31 recommendations provided by the OIG in its Preliminary Audit Report: Peace Corps/Rwanda. Post has addressed and provided supporting documentation for 26 of the 31 recommendations and will work to address the remaining recommendations by the set target dates.

Response to the OIG Preliminary Report on the August/September 2010 Audit of Peace Corps/Rwanda

In addition to working to address each specific recommendation, Post has worked to respond systematically to the general areas of concern noted in the Peace Corps/Rwanda audit. In particular, in an effort to standardize operations and provide cross training for all staff (60% of the staff were hired less than a year ago), Post developed a set of Standard Operating Procedures (SOPs) as well as a Staff Handbook to document our administrative and operational practices. The SOPs are a set of step by step instructions for each basic administrative task. Post anticipates using this same approach for safety & security, medical, and programming & training to have a full set of procedural guidelines for Post. This will help maintain systems even during staff transitions. Post's Staff Handbook clearly documents staff responsibilities, roles, and benefits for all staff working at PC/Rwanda. These two documents (particularly the SOPs) will be referenced throughout this response as they are now an integral part of how we do business and many respond directly to the audit recommendations. The full SOP manual can be found uploaded in Team Central under recommendation 7. Other parts of the SOP manual have been uploaded separately when pertaining to a specific recommendation.

It is also important to note that many of the issues identified during the audit, conducted almost a year ago, reflect the conditions at that time for PC/Rwanda. Post was extremely understaffed with about 20 staff for almost 150 Volunteer/Trainees. This minimalist staffing ratio would have been difficult enough for a long established Post with experienced staff but for a Post barely 2 years old with extremely inexperienced staff, including administrative staff, it was an enormous challenge. The low staffing pattern set the stage for many of the issues identified in the recommendations. Fortunately, with the increase in staff over the past year, Post has been better able to distribute workloads and to set up the appropriate internal control mechanisms necessary.

The Region will continue to work with Post to ensure closure of these recommendations by the dates included within for outstanding recommendations.

1. That the Cashier be trained how to set the combination to the imprest fund safe, and change the combination at least annually

Concur: Post purchased a new safe and the Cashier was trained to set up the combination in October 2010. Cashier followed the instructions from the manufacturer to set the combination lock at that time. Unfortunately the model of the safe purchased has a lock that can only be set once so the cashier will be unable to reset the combination annually. Post has consulted with the Embassy and identified a model, used by the Embassy Cashier, with a lock mechanism that can be reset annually. Post is in the process of purchasing this safe and will train the cashier on the new system once the safe arrives. The Cashier's scope of work was modified to include changing the imprest fund safe combination at least annually.

Documents Submitted:

- Copy of Purchase Order to purchase safe dated August 2010
- Copy of email from CD instructing the Admin Unit to purchase a new safe before the end of the fiscal year, entitled "Purchase of Appropriate Safe"

- Updated SOW for Cashier

Documents to be Submitted:

- Copy of new Safe Receipt

Status and Timeline for Completion: November 30, 2011

2. That the Director of Management and Operations (DMO) remind post staff to clear their interim advances within three working days, and that the status of interim advances be properly reported on the Monthly Checklist for Verifying Officer.

Concur: As an immediate fix Post has modified the Micro Purchase Request form to include travel days, work schedules and other pertinent days. The Office of Global Accounts Payable's (OGAP's) booked travel advance process has also been included in Post's compilation of Standard Operating Procedures (SOPs) and will be used for all frequent travelers by the beginning of FY 12. Status of interim advances has been properly reported on the Monthly Checklist since early 2011. Copies for June and July 2011 are part of the documents included.

Documents Submitted:

- Revised Micro Purchase Request and Interim Advance form
- Booked Travel Instructions from OGAP
- Monthly checklists from March to July 2011 that note status of interim advance
- CD memo entitled "Management of Interim Advances"

Status and Timeline for Completion: Completed August 2011

3. That the Cashier monitor interim cash advances and notify the Director of Management and Operations of delinquent advances for follow-up as needed.

Concur: Cashier henceforth will notify DMO of all outstanding advances beyond three working days as well as post the daily cash count sheet in a shared folder for the DMO to spot check on an unannounced basis. The change to a modified Micro-Purchase Form and the booked travel advance process mentioned in Recommendation # 2 above should also diminish the need for this type of oversight. In addition, the use of the booked travel advance should reduce to a minimum the overall use of interim advances. The Cashier has been notifying both CD and DMO on status of interim advances since early in 2011. The Cashier also provides daily hard copy cash count documentation to the DMO for review and initials.

Documents Submitted:

- Screen shot of daily cash count sheet
- Emails from Cashier to CD and DMO on status of advances
- Memo from CD to Cashier and DMO entitled "Notification of Delinquent Interim Advance Status"

Status and Timeline for Completion: Completed August 2011

4. That the Country Director and the Director of Management & Operations vary the timing each month of their imprest fund verifications, and review all reconciling items as part of the monthly verification process.

Concur: Country Director and DMO are now varying the monthly and quarterly verifications while ensuring that all pertinent items are reviewed as part of the verification.

Documents Submitted:

- Copies of FSC-99 form that lists all activities related to the Cashier transactions for November and December 2010
- Copies of FSC-365 listing summary totals for all activities and lines on the corresponding FSC-99 for November & December 2010 and June & July 2011

Status and Timeline for Completion: Completed August 2011

5. That the Cashier, with the assistance of the Director of Management & Operations, set up a system for organizing imprest fund documentation that facilitates monitoring and control.

Concur: The Cashier has established, with the help of the DMO and several TDY administrative staff, a filing system that efficiently tracks documentation by filing it according to the associated line on the FSC-365 (the form that lists the summary of all cashier transactions). This facilitates reconciliation of the imprest performed by the DMO (on a monthly basis) and the CD (on a quarterly basis).

Document Submitted:

- List of files set up by cashier to facilitate easy reconciliation

Status and Timeline for Completion: Completed August 2011

6. That the Cashier perform cashiering operations only in the cashier cage, maintain only the post's imprest fund, and keep a copy of the receipt given the payee upon settlement of the interim cash advance.

Concur: The Cashier has, since the arrival of the TDY DMO in September 2010, only performed cashiering operations in the cashier cage and has kept copies of the receipts given payees when cash advances are settled. At the same time, the Cashier has stopped handling any cash other than Post's imprest fund. In the past, the Cashier handled Volunteer funds for package fees at the Post Office but the new PC/Rwanda PCV Handbook, issued January 2011, puts the responsibility of collecting and paying for packages on the Volunteer rather than the Cashier. The CD recently issued a memo to the Rwanda staff soliciting their compliance with the recommendation and is submitted here.

Documents Submitted:

- CD memo entitled “Cashier Operations”
- Rwanda PCV Handbook, see package policy highlighted on page 33

Status and Timeline for Completion: Completed August 2011

7. That the post performs a complete Volunteer living allowance survey and related market basket survey at least annually

Concur: Post has distributed the Living Allowance Survey forms to Volunteers and the Market Basket Survey forms to staff with a September 15, 2011 deadline for completion. Post plans to have the analysis completed before the new allowance payment cycle on December 1, 2011.

Documents submitted:

- CD email to PCVs with PCV Survey Template attached
- Staff Market Basket Template
- CD email to designate staff for Market Basket Survey
- SOP Manual with Annual Living Allowance Survey on page 9

Documents to be submitted:

- Analysis of Living Allowance survey

Status and Timeline for Completion: December 1, 2011

8. That the post analyzes the results of its Volunteer settling-in surveys and conclude as to the allowance’s adequacy.

Concur: Post provided survey templates to the Health 3 group prior to their swearing-in in July 2011. They are to complete and return the surveys in three months during their IST on October 24, 2011. Analysis will be done once the surveys are returned.

Documents submitted:

- Settling in Allowance survey template
- Email from CD to PCVs on completing survey

Documents to be submitted:

- Analysis of Settling in Allowance survey

Status and Timeline for Completion: December 1, 2011

9. That the billing officer bill staff for personal phone charges within a timely period after receipt of the phone bill, and provide a copy of the bill of collection to the Cashier for use in performing collections.

Concur: Since May 2011 Post has been able to get fully itemized and accurate bills from the local service provider. Therefore, since May Post has required all staff to review the phone bills associated with their Peace Corps supplied phones and to note as “personal” those calls that are not related to Peace Corps business. Peace Corps/Rwanda will issue a Bill of Collections (BOC) for all personal phone calls made by staff on Peace Corps supplied phones. The process for reviewing phone bills and collection of money for personal calls is outlined in Post’s SOP for Reimbursement of Personal Phone Calls.

Documents Submitted:

- CD memo to staff entitled, “Personal Phone Call Reimbursement”
- Certified phone bill example with corresponding paid BOC receipt
- SOP for Reimbursement of Personal Phone Calls from page 47 of the SOP Manual

Status and Timeline for Completion: Completed August 2011

10. That the Director of Management & Operations remind staff that they must promptly verify their phone bills to identify personal calls, and monitor the staff’s compliance.

Concur: Staff is now provided copies of all phone bills pertaining to their number to mark up the private phone calls to facilitate proper billing by the billing officer. Staff was distributed the phone records for their Peace Corps supplied phones for May/June in mid July 2011. The CD sent a memo to all staff on August 5, 2011 further clarifying this new process. All unpaid BOCs will be tracked electronically via PC-1565 Register for Collections or Outstanding Collections Report generated by FOR Post.

Documents Submitted:

- Certified phone bill example with corresponding paid BOC receipt
- CD memo to staff entitled, “Personal Phone Call Reimbursement”
- Copy of Updated SOW for Office Assistant

Status and Timeline for Completion: Completed August 2011

11. That the post review the status of obligations at least quarterly and de-obligate those items that are no longer required.

Concur: Post will follow the agency-wide policy of doing a periodic review in addition to following Post’s own SOP for reviewing obligations. Actual dates for review of the status of obligation have been included in the yearly admin calendar.

Documents Submitted:

- Admin Annual Calendar with designated times for obligation reconciliation
- CD memo to DMO entitled “Periodic Obligation Reviews”

Status and Timeline for Completion: Completed August 2011

12. That the post conduct a complete inventory and verify that all post property has been recorded in the property inventory database, and ensure that sign-outs of post property provided to staff for their use have been documented.

Concur: Post conducted an inventory in March 2011, including any property signed out to staff, and properly documented it. Following the March inventory, Post identified all excess property and disposed of it in collaboration with the Embassy at a public auction in May 2011. Post is in the process of updating the inventory database to document the disposed property.

Documents Submitted:

- Inventory of sale items from auction
- Semi-Annual Verification
- Staff Sign out sheet of Post property
- CD memo entitled "Inventory Control"

Status and Timeline for Completion: October 15, 2011

13. That the Director of Management & Operations reconcile the inventory against receiving reports and requisition forms at least quarterly, and that the property officer reconcile the property inventory database with written documentation of changes before the physical inventory is conducted.

Concur: The DMO reconciles inventories described above against receiving reports and requisition forms on a quarterly basis and documents changes due to disposed or signed-out property. This process was started with the inventory after the May auction and will be done on a quarterly basis in order to reconcile the inventory against receiving reports and requisitions. The first quarterly reconciliation is due in September 2011. The General Services Manager (the Property Manager) will then ensure that the inventory database is reconciled prior to the next physical inventory.

Documents to be Submitted:

- Quarterly DMO reconciliation of inventory against receiving reports and requisition forms
- Updated inventory database following reconciliation

Status and Timeline for Completion: October 15, 2011

14. That the Property Officer obtain custody receipts from the U.S. direct hire staff holding Peace Corps property in their residences.

Concur: The General Services Manager (GSM), who is the Property Manager, completed the inventory of all residences of staff holding Peace Corps property in February as part of the semi-annual verification and has obtained signed custody receipts from the staff.

Documents Submitted:

- Two examples of Custody receipts for residences of DMO and CD

Status and Timeline for Completion: Completed August 2011

15. That the Country Director issues a memo authorizing the post to hold Volunteer property for safekeeping

Concur: The CD has issued a memo authorizing the safe keeping of Volunteer property including no fee passports per MS 213 and the new PC/Rwanda PCV Handbook informs the PCVs of their options to have PC/Rwanda hold up to \$750 in safekeeping. Manual Section 213 is currently under revision, and once the final version comes out – anticipated November 2011 – Post will then implement the policy as stated by the revised Manual Section.

Documents Submitted:

- CD memo to AO entitled “Custody of Volunteer/Trainee Property” from 2009
- CD memo to DMO entitled “Holding of PCV Personal Property” from 2011
- PC/Rwanda PCV Handbook, see page 33 for PCV personal property

Status and Timeline for Completion: Completed August 2011

16. That the listings of Volunteer property accepted for safekeeping are kept in a different location than the property.

Concur: The listing of Volunteer property accepted for safekeeping by PC/Rwanda is now kept in a separate location. Post has divided the responsibilities between the Volunteer Liaison who is responsible for holding the property and the Office Assistant who is responsible for holding the list. Post has also modified the personal property inventory list for each PCV to make the system easier for PCVs to confirm the safekeeping of their property.

Documents Submitted:

- CD memo entitled “Holding of PCV Personal Property”
- PCV Personal Property Form
- Volunteer Liaison and Office Assistant updated SOW

Status and Timeline for Completion: Completed August 2011

17. That the post comply with agency policy and have the Volunteers keep their no-fee passports or obtain a waiver, and that if no-fee passports are held by the post, adequate control procedures over the passports be established.

Concur: Post is keeping PCV no-fee passports with adequate control procedures over the passports to assure their safekeeping per MS 213 and 235 (as part of Personal Property). The Volunteer

Liaison (who is responsible for assuring visa renewal for PCVs) maintains the PCV no-fee passports in a locked cabinet separate from other PCV property.

Documents Submitted:

- Copy of MS 213 Revised March 2007
- Memo from CD entitled "Holding of PCV No-Fee Passports"

Status and Timeline for Completion: Completed August 2011

18. That the required staff members review, initial, and date the vehicle usage logs weekly and investigate unusual or questionable postings.

Concur: Since January 2011, the weekly vehicle use logs have been collected and reviewed by the AGSM/Motor pool Coordinator, and the DMO is initialing vehicle logs on a weekly basis. This practice is sufficiently robust that a recent irregularity was noted and used as documentation to put one driver on one week of non-duty status without pay for violating vehicle use policies. This process has also been documented in the SOP.

Documents Submitted:

- Copies of vehicle logs verified by DMO from May to July 2011
- Memo from CD to DMO entitled "Vehicle Log Reviews"

Status and Timeline for Completion: Completed August 2011

19. That the Director of Management & Operations remind U.S. direct hire staff of the requirement for prior written authorization for personal usage of Peace Corps vehicles.

Concur: Personal use of Peace Corps vehicles, in compliance with MS 522, has been authorized by the COM and the CD since the new CD arrived in August 2010. This has included allowed personal use for the CD and DMO during their first 90 days at Post as well as the use within the last 90 days for the outgoing DMO.

Documents Submitted:

- CD and COM approval for current DMO first 90 days
- COM approval CD first 90 days
- COM approval outgoing DMO last 90 days
- CD Memo entitled "Personal Vehicle Use Reimbursements"

Status and Timeline for Completion: Completed August 2011

20. That the post keeps maintenance records for the Peace Corps vehicles and that the records be reviewed periodically by the Director of Management & Operations.

Concur: Post is now keeping maintenance records of Peace Corps vehicles. The maintenance records are managed by the AGSM/MC who reviews them monthly and then provides them to the DMO for review on a quarterly basis. The review process for vehicle maintenance records is included in Post's SOP so it is easily accessible by the motor pool team and the DMO to assure compliance.

Documents Submitted:

- Maintenance log signed by DMO
- Memo from CD to DMO entitled "Periodic Review of Maintenance Records"

Status and Timeline for Completion: Completed August 2011

21. That the CD ensures that staff are evaluated, and that copies of the evaluations be given to them.

Concur: All Administrative staff were evaluated and copies of the evaluations reviewed by the CD were provided to the staff before the departure of the last DMO. Programming & Training as well as Safety & Security staff were not evaluated by the out-going CD at that time. The current DPT and CD agreed that they had insufficient observations due to the timing of their arrival at post to provide evaluations of work in 2010. Post now has a staff handbook which states that staff evaluations be conducted in October so that evaluations on staffs' previous year's work is available prior to the PSC contracts in December of each year.

Documents Submitted:

- Example of October 2010 administrative staff evaluation CD memo on SOP for staff evaluations(August 2011)
- Memo from CD entitled "Staff Evaluations"
- Staff Handbook section on Performance Appraisals

Status and Timeline for Completion: Completed August 2011

22. That the staff personnel files be reviewed for completeness, accuracy, and appropriate organization and that complete and organized personnel files be maintained on an ongoing basis.

Concur: Working with the new DMO and several TDY administrative staff, post has set up a very effective system for tracking documents required for each contract file. The contracts are now managed solely by the Administrative Assistant (AA) who handles all contracts and leases. This clear assignment to one staff member was not possible until the AA was hired in April 2011. The addition of the AA position allowed Post to have one staff member uniquely assigned to contracts and responsible for contract file organization, completeness, and maintenance. This is a clear example of the value of proper staffing levels in meeting administrative control requirements. The SOP for contract file management allows for continuity of this system even in the absence of the AA.

Documents Submitted:

- PSC Contract Check list for sample staff
- Memo from CD entitled "Contract File Management"

Status and Timeline for Completion: Completed August 2011

23. That the post establish and communicate a compensatory time policy to ensure that staff record compensatory time on timesheets and that the time is reported on Form PC-57.

Concur: Post's compensatory time policy is part of the new Staff Handbook and will be communicated to staff as part of the roll out of the Staff Handbook. This roll out is planned to occur before the end of August 2011. In the meantime, Post has directly linked the electronically populated staff timesheets with the PC-57. This automatically records all leave, other absences, and compensatory time each pay period on each staff member's individual Form PC-57.

Documents submitted:

- Example of Linked Timesheet
- Credit Hours policy from new Staff Handbook

Status and Timeline for Completion: Completed August 2011

24. That the timekeeper, with oversight from the DMO, undertake a review of the accuracy of staffs' PC-57s for at least the last two years and make corrections as needed, and that on an ongoing basis, supervisors review their staffs PC-57s and document the reviews on the form.

Concur: The newly linked timesheets with the PC-57 will facilitate the use of the time sheets and PC-57 for each staff by supervisors. Supervisors will be expected to use this tool to include observations on time and attendance as well as leave balances when they evaluate staff annually. The linked timesheets will also allow easy review by the timekeeper (the Cashier) with oversight from the DMO of the 2010 and 2011 PC-57s. This review was completed on August 17, 2011 and has been certified by both the timekeeper and the DMO.

Documents submitted:

- Copy of Reviewed Timesheet
- Certification from the Timekeeper and DMO that the PC-57s for 2010 and 2011 are correct

Status and Timeline for Completion: Completed August 2011

25. That the post finalizes and issues the staff manual, to include time and attendance policies.

Concur: Post's staff handbook will be created by August 31, 2011. It is anticipated however that the staff handbook will be continually updated as and when policies or procedures change. Staff will be given copies of these changes/updates to include in their copy.

Documents submitted:

- Staff Handbook with Time & Attendance policies on page 32
- Peace Corps Rwanda Standard Operating Procedures Manual

Status and Timeline for Completion: Completed August 2011

26. That the CD reviews the status of leave balances to ensure that staff are taking the leave to which they are entitled.

Concur: With the electronic link between the individual timesheets and the corresponding PC-57 the CD has been able to review the status of leave balances for staff. The document is also linked to the quarterly leave balance report. Staff will have access to their PC-57 (view only privileges). Where there are leave balances that exceed the 200 hours (40 hours less than the annual leave accrual allowed for USDH), the CD will encourage the staff to take their entitled leave. It is important to note that in January 2011, almost half the PC Rwanda staff had accumulated more than 200 hours of leave while in August 2011, only two have leave accumulations at that level. Post management has strongly encouraged staff, even during busy times to take earned leave to reduce amount.

Documents Submitted:

- Summary table of leave balances for all staff as of August 2011
- Copy of quarterly leave balance report from Q3 FY 2011

Status and Timeline for Completion: Completed August 2011

27. That the Director of Management & Operations remind staff to submit their travel vouchers within five working days after completion of travel and monitor the staff's compliance.

Concur: Post has made a conscious effort to complete all the back log of staff travel vouchers from staff to allow timely processing of submissions in the future. Post has developed a SOP for submittal of travel vouchers and a memo describing it was distributed to staff in early August 2011. The DMO will monitor this process and enforce the policy with staff when they do not comply with the SOP for travel vouchers.

Documents Submitted:

- DMO memo entitled "Travel Advances and Vouchers"
- SOP for Travel Voucher

Status and Timeline for Completion: Completed August 2011

28. That the medical supplies inventory control clerk maintains the post's medical supplies inventory records in accordance with agency policy.

Concur: The CD designated the IT Specialist (ITS) as the Medical Supplies Inventory Clerk (MSIC) to control medical inventory records on July 21, 2011. The MSIC assisted the Inventory Clerk (IC) with the quarterly medical physical inventory completed on July 22, 2011. The scope of work for the ITS was modified to reflect this additional duty.

Documents Submitted:

- CD email on designation of staff per MS 734
- Updated SOW for ITS
- Medical Inventory Control Log July 2011
- Post medical inventory FY11 Q3
- Rwanda Medical Inventory Management duties

Status and Timeline for Completion: Completed August 2011

29. That a person other than the medical unit staff or the medical supplies inventory control clerk perform the quarterly inventory of medical supplies.

Concur: The CD designated the Office Assistant as the Inventory Clerk (IC) as required under MS 734 to perform the quarterly inventory of medical supplies. The IC completed the quarterly medical physical inventory on July 22, 2011. The SOW for the office assistant includes the IC duties.

Documents Submitted:

- CD email on designation of staff per MS 734
- SOW for Office Assistant and General Services Manager
- Rwanda Medical Inventory Management duties

Status and Timeline for Completion: Completed August 2011

30. That the CD submit the medical inventory control log to the Office of Medical Services annually as required.

Concur: Post submitted the annual medical inventory control log to OMS on May 5, 2011.

Documents Submitted:

- CD email to OMS with Annual Medical Inventory Log

Status and Timeline for Completion: Completed August 2011

31. That the medical unit ensures that specimens not include the Volunteers' social security numbers.

Concur: Post only uses Peace Corps Volunteer ID numbers with sample requests sent in-country. Post received the revision of Technical Guidance (TG) 360 in August of 2011 clarifying sample submittal to the U.S. without Volunteer's social security number and Post has implemented that guidance since receiving it on August 1, 2011.

Documents Submitted:

- Copy of email from OMS providing guidance on TG 360 August 2011
- Copy of TG 360

Status and Timeline for Completion: Completed August 2011

OIG COMMENTS

Management concurred with all 31 of the recommendations. We closed 30 recommendations based on evidence of corrective actions that address the recommendations. Recommendation 8 remains open pending a copy of the analysis and results of the most recent Volunteer living allowance survey.

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.

AUDIT COMPLETION AND OIG CONTACT

AUDIT COMPLETION

Senior Auditor Steven Kaffen performed the audit of Peace Corps/Rwanda.



Bradley Grubb
Assistant Inspector General for Audit

OIG CONTACT

If you wish to comment on the quality or usefulness of this report to help us strengthen our product, please email Bradley Grubb, Assistant Inspector General for Audit, at bgrubb@peacecorps.gov, or call him at (202) 692-2914.

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

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

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U.S./International: 202.692.2915
Toll-Free (U.S. only): 800.233.5874

Email: OIG@peacecorps.gov
Web Form: www.peacecorps.gov/OIG/ContactUs

Mail: Peace Corps Office of Inspector General
P.O. Box 57129
Washington, D.C. 20037-7129

Main Office: 202.692.2900