

**REPORT**  
**on the Follow-up Program Audit**  
**of**  
**Peace Corps/Uganda**  
**IG 07-03-FUA**  
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**Peace Corps**  
**Office of Inspector General**



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## INTRODUCTION

**Audit Background.** The Office of Inspector General audited Peace Corps/Uganda March 1 - 21, 2005 and reported 56 recommendations for management action.<sup>1</sup> As part of our continuing oversight responsibilities, we conducted a follow-up review of management's agreed upon actions September 18 - 22, 2006 to verify the status of open and closed recommendations. The results of our follow-up review were provided to PC/Uganda prior to departure from the post.

**Management Response.** Management had concurred with all 56 recommendations in our original audit report. Based on their responses, we closed 47 recommendations and nine recommendations were left open pending confirmation of management actions from the chief compliance officer.

During our follow-up audit, we re-opened 14 recommendations that were previously closed and closed four recommendations that were open. Several recommendations that had been previously closed were based on management assurances that corrective actions had been completed. However upon review at the post, we determined that these corrective actions had not been completed.

**Audit Objective.** The objective of this audit was to verify the status of management actions in response to our previous audit recommendations.

## BACKGROUND

The first group of Volunteers in Uganda arrived as teachers in November 1964. In 2000, the Peace Corps reopened its program in Uganda at the invitation of the Ugandan government. Field staff began work in August 2000, and the first education Volunteers arrived in March 2001. Currently, Peace Corps/Uganda has an education project and a community health project, both developed on the basis of the interest and needs expressed by the government of Uganda and the communities where Volunteers work.

## REVIEW OF MANAGEMENT ACTIONS

During our on-site visit, we verified and closed 36 of the 56 recommendations as a result of management actions. However, we determined that 20 recommendations remain open awaiting additional management action.

A summary of the status of each audit recommendations is shown in Table 1 below followed by a detailed analysis for each recommendation.

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<sup>1</sup> Audit of Peace Corps / Uganda, (Report IG-05-22-A), September 21, 2005.

**Table 1. Status of Audit Recommendations as of September 2006**

<b>Audit Area</b>	<b>Number of Recommendations Closed</b>	<b>Number of Recommendations Open</b>	<b>Open Recommendation Number</b>
<b>PEPFAR Observations</b>	2	0	
<b>Accounting for Obligations and Liquidations</b>	1	2	3, 5
<b>Allowances for Volunteer and Trainees</b>	4	0	
<b>Billings and Collection</b>	2	2	11, 12
<b>Imprest Fund</b>	6	6	14, 15, 17, 19, 21, 22
<b>Special Funding</b>	1	1	26
<b>Safekeeping of Volunteer Property</b>	3	0	
<b>Property: Furniture and Equipment</b>	1	4	31, 32, 33, 35
<b>Medical Supplies</b>	2	0	
<b>Vehicle Management</b>	0	2	38, 39
<b>Contracts in General</b>	5	1	44
<b>Credit Card Management</b>	2	0	
<b>Personnel</b>	4	1	52
<b>IT Security</b>	4	0	
<b>Total</b>	<b>36</b>	<b>20</b>	

## VERIFICATION OF MANAGEMENT ACTIONS

Each item below includes our recommendation, management's responses and results of our verification.

### PEPFAR Observations

***1. That the post develop a clear accounting process for PEPFAR funds.***

**Region's Response:**

**Concur.** Post took immediate steps to remedy this issue, implementing guidance received from Peace Corps Headquarters. This includes the Volunteer Activities Support & Training (VAST) guidelines, which was distributed in April 2005. Completed.

**OIG Verification:**

**Recommendation closed.** We verified that the post had received guidance from Peace Corps Headquarters on PEPFAR accounting procedures and that the post has implemented the guidance.

***2. That the post train Volunteers on how to account for PEPFAR funds before they receive their funding.***

**Management's Response:**

**Concur.** Post is providing ongoing training on how to account for PEPFAR funds utilizing VAST guidelines to individual Volunteers prior to their receiving funds. Effective August 30, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that Volunteers are receiving training in VAST guidelines during ISTs prior to the Volunteers receiving funds. The PEPFAR coordinator also developed detailed VAST guidelines during our visit.

## Accounting for Obligations and Liquidations

### ***3. That the Office of Financial Services work with the post to clear outstanding travel advances.***

#### **Management's Response:**

**Concur.** Post is presently working with the Office of Financial Services to clear all prior fiscal years travel advances by September 30, 2005.

#### **OCFO's Response:**

**Concur.** The OCFO has been working closely with post to clear all outstanding travel advances and to ensure travelers are submitting their travel vouchers within 10 days of completion of travel. As of August 23, 2005 post advised OCFO that all outstanding FY 2005 vouchers for which travel was completed on or before August 13<sup>th</sup> has been forwarded to OCFO for processing.

All outstanding prior year travel advances that could be cleared by OCFO without any additional information from the post have been cleared. The statuses of those advances that remain outstanding are indicated below:

<b><u>Category (#)</u></b>	<b><u>Total Amt</u></b>	<b><u>Status</u></b>
Travel Voucher Due From Traveler (6)	\$1015.14	Post will advise OCFO of their collection efforts by August 31, 2005 and OCFO will take appropriate action, if required
OCFO Researching (8)	\$ 189.43	Processing errors that require FOR Post assistance; should be resolved by 9/15/05

#### **OIG On-site Verification:**

**Implementation partially confirmed. Recommendation open.** We verified that one travel advance remained outstanding. The financial administrator had researched documents during the follow-up audit, in conjunction with headquarters, to resolve the outstanding advance. All other travel advances had been cleared.

***4. That the post issue bills of collection for travel advances that are outstanding.***

**Management's Response:**

**Concur.** Post has reviewed all outstanding travel advances and issued bills of collection. This was completed September 9, 2005, but post is also working to enforce the timely filing of travel vouchers in the future.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the post had issued bills of collection for all outstanding travel advances and had collected the outstanding travel advances identified in our previous audit.

***5. That the post require staff to submit travel vouchers within 10 days and submit these vouchers to headquarters within five working days.***

**Management's Response:**

**Concur.** Post is enforcing its current standard that requires staff to submit travel vouchers to the Financial Specialist within five working days. The Financial Specialist will submit vouchers to Peace Corps Headquarters within five days of receipt. Effective August 30, 2005.

**OIG On-site Verification:**

**Recommendation open.** A sample of nine travel vouchers submitted during 2006 showed that only three staff members had submitted their travel vouchers within 10 working days. As a result, this recommendation remains open.

## Allowances for Volunteers and Trainees

- 6. That the country director obtain a written memorandum of agreement with the banks handling Volunteer allowances.*

**Management's Response:**

**Concur.** The Financial Specialist will contact the manager of the a local bank, which handles all current Volunteers allowance deposits, to develop a memorandum of agreement for the Country Director to sign by September 30, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified the post submitted a memorandum of agreement (MOU) to a local bank that handles all current Volunteer allowances. However, the bank's attorney advised that they were unable to sign the MOU as written. Nevertheless, the bank intended to prepare a letter to PC/Uganda which outlines the bank's role in handling Volunteer allowances. We accepted this documentation in lieu of a formal MOU.

- 7. That the post conduct a settling-in allowance survey within three months of Trainees' swearing-in.*

**Management's Response:**

**Concur.** Post has conducted a settling-in survey with the most recent PCVs during their Technical/PDM IST held between August 30 and September 1, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the country director and an Associate Peace Corps Director (APCD) conducted a settling-in allowance survey.

**8. *That the post conduct living allowance surveys annually.***

**Management's Response:**

**Concur.** The last living allowance survey was conducted in October 2004 and post will make this an annual scheduled event. The 2005 survey will be conducted by October 31, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the country director and an APCD conducted the October 2005 living allowance survey.

**9. *That the post analyze living allowance and settling-in allowance surveys promptly.***

**Management's Response:**

**Concur.** Post is committed to providing Volunteers with the results of the October 2005 living allowance survey by December 31, 2005, following analysis by the Administrative staff.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the country director and an APCD analyzed the 2005 living allowance and settling-in allowance information. Additionally, the country director has assigned the analysis of future surveys to the IT specialist.

## Billings and Collections

**10. That the post issue a detailed written notice of outstanding debts to all debtors.**

**Management's Response:**

**Concur.** The Secretary/Receptionist, as Billing Clerk, has completed (September 2, 2005) an itemized list of debts owed to Peace Corps/Uganda for each staff member. The AO will send out letters to each staff identified requiring either payment or reconciliation of amounts owed by September 16, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the post had sent an itemized list of debts to debtors for collection.

**11. That the post notify the Office of Financial Services of all outstanding debts over 90 days old.**

**Management's Response:**

**Concur.** Once Recommendation #10 above has been completed, the AO will analyze data to determine all outstanding debts over 90 days old and will report to OFS by September 30, 2005.

**OIG On-site verification:**

**Recommendation open.** We verified that the post had taken no action.

***12. That the post follow up and collect all outstanding debts.***

**Management's Response:**

**Concur.** Post is committed to resolving all outstanding debts owed to Peace Corps/Uganda by staff members and is expected to be completed by September 30, 2005.

**OIG On-site Verification:**

**Recommendation open.** We verified that the post had made little or no attempt to collect the outstanding debts. All outstanding debts were for personal use of the post's telephones. Although there was an attempt to collect some of the outstanding debts shortly before the auditor arrived, many debts remained outstanding. The debts presently date back to 2002.

***13. That the post set up and maintain a Bill of Collection Log.***

**Management's Response:**

**Concur.** A Bill Collection Log was established per PC Manual section 777.5.0 in March 2005 and is currently maintained by the Billing Clerk.

**OIG Verification:**

**Recommendation closed.** We verified that the billing clerk had set up a Bill of Collection Log. The revised log was in compliance with the sample in Peace Corps Manual (PCM) section 777.5.0.

## Imprest Fund

***14. That the post report any shortage reflected on line 28 of Form 365 (Imprest Fund Cash Reconciliation) to the OIG when the loss is greater than \$10.00.***

**Management's Response:**

**Concur.** Post is currently working closely with the Cashier Liaison and FOR Post staff to determine actual amounts to be reflected on Form 99 and Form 365. When final reconciliation is made and zero balances set, Post will first report any shortage or overage to the Cashier Liaison and FOR Post staff to determine whether error is due to data entry or for some other reason. Should human error be discovered, Post will report to the OIG. Effective August 30, 2005.

**OIG On-site Verification:**

**Recommendation open.** We verified that the imprest fund was out of balance when the cashier received it. The imprest fund continued to be out of balance and fluctuated from being over its approved level to being under its approved level. We did not determine the cause.

No report was made to the OIG. All losses should be reported to the OIG by the country director regardless of cause.

***15. That the post work with OPBF/F to make correcting entries to bring line 28 of Form 365 into balance.***

**Management's Response:**

**Concur.** Post is currently working closely with the Cashier Liaison and FOR Post staff to correct entries to bring line 28 of Form 365 into balance. Mandated balance date is September 30, 2005.

**OIG On-site Verification:**

**Implementation partially confirmed. Recommendation open.** We verified that the post was working with the Office of the Chief Financial Officer to find and correct errors that have affected the 365 balance, but line 28 is still out of balance.

***16. That the cashier obtain an extension of his cashier designation to allow time to take the examination.***

**Management's Response:**

**Concur.** The Disbursing Specialist/Cashier Monitor at the Charleston Financial Service Center granted a six month extension in February 2005. Since this extension ended in August 2005, post will request another extension.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the cashier received the extension as noted, has passed the cashier examination, and has received a designation to serve as the post's Class B cashier.

***17. That the administrative officer not act as the alternate cashier until he passes the examination and receives official designation.***

**Management's Response:**

**Concur.** The AO will not act as alternate cashier until passing examination and receiving official designation.

**OIG On-site Verification:**

**Recommendation open.** We were unable to verify that the administrative officer had passed the required examination to serve as an alternate cashier. The administrative officer stated that he was still waiting to receive official designation, yet he was acting as cashier.

***18. That the cashier's safe combination be changed annually, with the arrival of a new country director, or with a change of cashier.***

**Management's Response:**

**Concur.** Post has contacted Embassy RSO to change combinations for PCMO, CD, Cashier and AO safes. Combination changes to be completed by September 30, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the RSO was contacted and changed the safe combinations.

***19. That the post obtain two cash boxes with locks for LCU and USD funds of sufficient size to hold the funds.***

**Management's Response:**

**Concur.** Boxes and locks for local currency and USD funds purchased September 2, 2005.

**OIG On-site Verification:**

**Recommendation open.** We verified that the post has not obtained cash boxes with sufficient capacity to protect local and US currency. The cash box used for local currency (LCU) was not large enough to hold the local currency coins. As a result, LCU coins were held in cardboard boxes or plastic sacs in the cashier's safe. Additionally, the box used for USD currency was inadequate because it was made of plastic materials that could be easily broken into.

***20. That the cashier obtain and maintain signature cards for approving officials.***

**Management's Response:**

**Concur.** A signature card containing the names and signatures of the CD and AO has been developed and signed effective August 27, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the cashier had a signature card that contained the names and signatures of approving officials.

***21. That the post request permission from headquarters to advance the training manager sufficient funds to maintain the operations of the training site.***

**Management's Response:**

**Concur.** Post will request permission from PC/HQ to advance the TM sufficient funds to maintain operations at the training site. Post plans to advance the TM sufficient funds to operate during PST; TM will provide biweekly receipts to Cashier so that he can clear advanced funds. Permission will be requested by February 1, 2006 when amount to be advanced will have been determined.

**OIG On-site Verification:**

**Recommendation open.** We verified that the post reduced the amount that the cashier holds to less than \$1,500. However, during our follow-up audit, the cashier still carried money to pay the larger expenses so that the training manager will not have to hold large sums. No permission was requested to have the training manager hold funds.

***22. That the post include in the training manager's statement of work the amount of funds she will be advanced for the training center.***

**Management's Response:**

**Concur.** TM's contract will be amended by February 1, 2006 when amount to be advanced will have been determined.

**OIG On-site Verification:**

**Recommendation open.** We verified that the training manager's contract was not amended to include a statement of the amount of funds she will be advanced for the training center.

**23. *That the post provide the training manager with a cash box that locks and a calculator with a print tape.***

**Management's Response:**

**Concur.** A calculator with print tape has been purchased for use at PST; Logistics and Training Assistant (LTA) had used it during the 2005 PST. If additional calculator with print tape is needed for the TM to use during PST '06, one will be purchased by March 1, 2006. Cash box and lock for LCU has been purchased September 2, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the training manager had been provided a calculator with a print tape and a cash box that locks.

**24. *That the cashier and administrative officer provide training to the training manager on accountability for the training petty cash fund.***

**Management's Response:**

**Concur.** The Cashier and AO will provide training to the TM and LTA on accountability for the PST petty cash fund by March 1, 2006.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the training manager had received petty cash fund training from the cashier.

**25. *That the cashier and administrative officer implement a simplified method for the advance and accounting of the training petty cash fund.***

**Management's Response:**

**Concur.** The Cashier and AO will develop, in collaboration with the TM and LTA, and implement a simplified method for the advance and accounting of the PST petty cash fund by March 1, 2006.

**OIG On-Site Verification:**

**Recommendation closed.** We verified through the training manager that the cashier had developed a simplified way to account for the PST petty cash funds.

## Special Funding

**26. *That the post obtain a completed and signed copy of Appendix M from the SPA Handbook from Volunteers who receive SPA funding and provide fund management advice as necessary.***

**Management's Response:**

**Concur.** Post copy of the SPA Handbook from 2003 does not include an Appendix M. Post believes that this recommendation refers to Appendix 5: SPA Program Volunteer Consent and Liability Acceptance Form that will be signed and completed whenever a SPA check is awarded to a Volunteer. However, Post is not expected to receive SPA funding from USAID Kampala during FY 2006.

**OIG On-site Verification:**

**Recommendation open.** We verified that there were no signed Volunteer Consent and Liability Acceptance Forms in the files. Although the administrative officer produced SPA grant files, they were for grants after the period of audit. The administrative officer also checked with the SPA coordinator, who stated that she had not received any of the required forms from Volunteers.

It should be noted that the post was currently working with USAID to obtain 2007 SPA grant funding, and this issue may continue in the future.

**27. *That the post train Volunteers on how to account for SPA grants before they receive their funding.***

**Management's Response:**

**Concur.** As in Recommendation #26, Post will be providing training to individual Volunteers prior to receiving SPA funds. Effective August 30, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the administrative officer had developed a training guide for SPA grants based on the post's training guidance for PEPFAR.

## Safekeeping of Volunteer Property

**28. *That the country director provide written authorization to the safekeeper to keep Volunteer or Trainee property for safekeeping based on PCM section 235.***

**Management's Response:**

**Concur.** The CD has provided written authorization to the safe keeper (AO) to keep Volunteer and Trainee property for safekeeping based on PCM section 235. Completed August 29, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the administrative officer received written authorization to hold Volunteer or Trainee property from the country director effective August 29, 2005.

**29. *That the safekeeper issue receipts to Volunteers or Trainees for the value of their property kept for safekeeping.***

**Management's Response:**

**Concur.** AO will provide receipts to Volunteers and Trainees for the value of their property kept for safekeeping. This will be completed at the next visit to AO by each V/T and concurrent review and counting of envelope contents by AO and V/T. Effective since August 30, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the post had provided written policies to Volunteers and Trainees describing the procedures for maintaining property on their behalf. The new policies require that the administrative officer issue receipts to the Volunteers for the property in safekeeping.

***30. That the post give written notice to Volunteers and Trainees of Peace Corps' liability limit of \$750 for property held for safekeeping.***

**Management's Response:**

**Concur.** Post provided written notice to Volunteers (no Trainees at Post) of Peace Corps' liability limit of \$750 for property held for safekeeping in July issue of monthly newsletter. Post will provide written notice to each subsequent PST class. Effective since August 30, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the post had written policies provided to Volunteers and Trainees describing the procedures for maintaining property for safekeeping. The new policies and procedures require a written notice to Volunteers of the \$750 liability limit.

## Property: Furniture and Equipment

**31. *That the post review the GSO's responsibilities and segregate the functions of receiving and inventory.***

**Management's Response:**

**Concur.** The Janitor is currently being trained to take over the function of inventory custodian. Following the Property Inventory Report to be completed by November 30, 2005, the Janitor's performance will be evaluated and if found acceptable, the SOW in his contract beginning January 7, 2006 will be modified to include inventory custodian activities. The GSO's contract SOW will also be revised at the same time to exclude elements related to inventorying taken over by the Janitor.

**OIG On-site Verification:**

**Recommendation open.** We verified that segregation of the general services officer's duties had not been achieved. The GSO continued to receive the inventory and perform the physical inventory. Furthermore, the GSO's Statement of Work had not been amended to delete the requirement of maintaining the inventory records.

**32. *That the post issue custody receipts for all property.***

**Management's Response:**

**Concur.** Post will provide a listing of all residential property assigned to each staff member. Following review of listing, employees will confirm receipt of property, which will be kept on file by GSO. Effective November 30, 2005.

**OIG On-site Verification:**

**Recommendation open.** We verified that the GSO had recorded inventory records assigned for each staff member and for each residence; however, the inventory records were not signed by the person with custodial responsible for the property.

**33. *That the post conduct a complete physical inventory.***

**Management's Response:**

**Concur.** As mentioned in Recommendation # 31, Post will conduct inventory during November 2005 and complete a Property Inventory Report by November 30, 2005.

**OIG On-site Verification:**

**Recommendation open.** We verified that inventory records that were updated after our original audit had not been maintained current. We identified property on the records that had been transferred to PC/Kenya and property purchased during the year that was not included in the inventory records.

**34. *That the post attach tags to each piece of capitalized property.***

**Management's Response:**

**Concur.** Post currently attaches bar coded tags to all pieces of capitalized property, where feasible. Post will investigate techniques to attach tags to capitalized property which is currently not tagged and attach tags. To be completed by December 31, 2005.

**OIG On-site Verification:**

**Recommendation closed.** A random sampling identified that identity tags were attached. We only noted one exception where it could be seen that the tag had rubbed off.

***35. That the post dispose of excess, obsolete, and worn out property following the PCM guidance.***

**Management's Response:**

**Concur.** Following examination, Post transfers excess, obsolete, and worn out property to the Embassy GSO on an annual basis, usually during the Embassy's auction each December. Post will examine all excess property to determine each piece's status during the November inventory. To be completed by November 30, 2005.

**OIG On-site Verification:**

**Recommendation open.** We verified that the post continued to maintain excess, obsolete, and worn out property. According to the administrative officer, the post had prepared property for auction, but the embassy had postponed the auction twice.

Our observation of the contents of the storage units suggested that much of the property was not prepared to be put up for auction.

## Medical Supplies

**36. That the post install a combination lock to secure Volunteer health records.**

**Management's Response:**

**Concur.** The PCMO's office currently has a bar-locked cabinet for Volunteer health records. Post has procured a combination lock to secure Volunteer health records. Action completed September 30, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified the installation of a combination lock that is used to secure Volunteer health records.

**37. That the PCMO and the country director or designee conduct a monthly inventory of controlled medical substances.**

**Management's Response:**

**Concur.** Post will ensure that monthly inventory checks are performed beginning August 31, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the country director or designee conducted a monthly inventory of medical substances with the PCMO.

## Vehicle Management

*38. That the driver/mechanic review and initial the vehicle logs on a weekly basis.*

**Management's Response:**

**Concur.** The driver/mechanic will review and initial the vehicle logs on a weekly basis, beginning August 31, 2005.

**OIG On-site Verification:**

**Recommendation open.** We verified that the driver/mechanic did not consistently initial the vehicle logs. We observed that the logs rarely had a signature to indicate they had been reviewed.

*39. That the post include the signature and title of staff that authorize use of the vehicles.*

**Management's Response:**

**Concur.** The GSO will review and initial the vehicle logs on a weekly basis, following review and initial by driver/mechanic, beginning August 31, 2005. The driver/mechanic will review and initial the vehicle logs on a weekly basis, beginning August 31, 2005.

**OIG On-site Verification:**

**Recommendation open.** We verified that the post had added the GSO as the approving official for vehicle usage. However, we observed that the logs were not consistently signed to show approval each time the vehicle is used.

## Contracts in General

**40. That the post obtain approvals from the region for all leased residences in excess of \$20,000 and for contracts paid in U.S. dollars.**

**Management's Response:**

**Concur.** Post will obtain approvals from the region for the four residential leases in excess of \$20,000 and for contracts paid in U.S. dollars by October 30, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the region approved the four residential leases in excess of \$20,000 and contracts paid in U.S. dollars.

**41. That the post review all leases and obtain signatures from all parties on the Certificate of Acceptances that are missing.**

**Management's Response:**

**Concur.** Post will review all leases and obtain signatures from all parties on the Certificates of Acceptance that are missing. To be completed by December 31, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the chief compliance officer had received copies of the Certificate of Acceptance.

**42. That the post obtain security clearances for all PSCs.**

**Management's Response:**

**Concur.** Post requires security clearance for all PSCs. The Embassy RSO provides documentation that successful security clearance has been granted. Post will review all PSC files and obtain documented security clearance for each by October 31, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that security clearances were obtained for all personal services contractors.

**43. *That the post obtain an Intelligence Background Information Certification for all PSCs and places a copy in their file.***

**Management's Response:**

**Concur.** Post will complete the Intelligence Background Information Certification form and attach to each PSC file by October 31, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the post completed Intelligence Background Information Certification forms.

**44. *That the post obtain contractor signatures on the contractor release form at the end of each contract period.***

**Management's Response:**

**Concur.** Post will obtain contractor signatures on each contractor release form following completion of contract, beginning August 30, 2005.

**OIG On-site Verification:**

**Recommendation open.** We randomly selected four PSC files to determine if they contained contractor release signatures at the end of their contract period. We identified one incomplete release form in our sample.

The post should review PSC files to ensure all contractor release forms are complete.

**45. *That the country director request additional procurement authority from the Chief Acquisition Officer for the personal services contracts that exceed the \$50,000 procurement authority.***

**Management's Response:**

**Concur.** CD will request additional procurement authority from the Chief Acquisition Officer for the personal services contracts that exceed the \$50,000 procurement authority (including option years) whenever a PSC that exceeds \$50,000 is proposed. Beginning August 30, 2005.

**OIG Verification:**

**Recommendation closed.** We verified through the chief compliance officer that written approval for additional procurement authority was obtained.

## Credit Card Management

**46. *That the administrative officer obtain approval before making purchases with the post's purchase card.***

**Management's Response:**

**Concur.** CD will be consulted for approval and the AO will modify the FOR Post Citibank obligation to add a line item each time a purchase card purchase is proposed. CD's signature will be obtained and recorded on Purchase Card Log prior to finalizing purchase. Effective August 27, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the country director approved all credit card purchases before they were made. We reviewed the cardholder's log which includes a pre-approval column for the country director's signature for all credit card purchases.

**47. *That the post maintain a log for the post purchase card(s) that includes the order date, obligation number and line number, description and vendor, dollar amount (USD or LCU and exchange rate), and signature of approving official.***

**Management's Response:**

**Concur.** The AO has developed and implemented a Purchase Card Log including all of the recommended items effective August 27, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified the purchase credit log was complete and contained all necessary information.

## Personnel

**48. *That supervisory staff conduct staff appraisals annually in accordance with PCM section 602.8.1.***

**Management's Response:**

**Concur.** The CD conducts annual appraisals for direct-hires following guidance from PC/HQ. Annual staff appraisals for PSCs are currently done by CD and AO at the time of PSC contract renewal, in January of each year. Additional appraisals can be performed as needed throughout the year. To be completed by January 31, 2006.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the post completed all outstanding annual appraisals for the administrative staff during our site visit.

**49. *That staff maintain and certify their individual attendance records and have the approved by their supervisor before submitting them to the timekeeper.***

**Management's Response:**

**Concur.** All staff members are required to submit individual biweekly T&A records to their supervisors (CD or AO) for approval prior to the AO's certification of correctness of Statement of Payments (SOP) for each pay period submitted to PSC Africa Data. Secretary/Receptionist is timekeeper of record for all staff and maintains all documents. Effective August 7, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that individual time cards were completed and properly certified. All time cards were approved and submitted to the timekeeper and reviewed by country director.

***50. That the timekeeper perform a leave audit each year on employees under their purview in accordance with PCM section 742.5.4.***

**Management's Response:**

**Concur.** The Secretary/Receptionist, in her role as Timekeeper, will perform a leave audit for each employee that will be certified by each supervisor (CD or AO) and forwarded to M/FM/A/VSPS no later than September 30, 2005, per PCM section 742.8.1 (Leave Audit Procedures).

**OIG On-site Verification:**

**Recommendation closed.** We verified that the timekeeper had performed a leave audit in accordance with PCM section 742.5.4. Staff received copies of audited leave records.

***51. That the timekeeper set up new employee files that are clearly labeled and current.***

**Management's Response:**

**Concur.** The Timekeeper maintains an up-to-date T&A file that is clearly labeled for each employee. Completed August 7, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the post had prepared new employee files. Each file was clearly labeled, current, and very orderly.

***52. That the post archive records or dispose of records using OFMH guidance.***

**Management's Response:**

**Concur.** Post will review OFMH guidance and will archive or dispose of employee time and attendance records according to stated recommendations. To be completed by October 30, 2005.

**OIG On-site Verification:**

**Recommendation open.** We verified that the post did not archive or dispose of records using OFMH guidance. For example, the administrative officer continued to maintain files related to the 2001 budget, the timekeeper maintained time records that dated back to 2001, and other miscellaneous outdated files were stored in storage containers.

## IT Security

**53. *That the IT specialist conduct security training prior to staff members receiving a computer.***

**Management's Response:**

**Concur.** The IT Specialist provides computer security training to each new employee effective July 11, 2005. Annual training updates to commence by October 30, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the IT specialist conducted security training prior to employees receiving a computer.

**54. *That the IT specialist maintains a sign-in sheet and obtain staff signatures for all IT training sessions.***

**Management's Response:**

**Concur.** Post will implement by October 30, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the IT specialist maintained sign-in sheets and obtained staff signatures for all IT training sessions.

**55. *That the IT specialist performs a daily virus review.***

**Management's Response:**

**Concur.** The IT Specialist will be performing daily virus review beginning August 30, 2005. Post will implement by October 30, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the IT specialist performed a virus screen check daily.

***56. That the IT specialist obtains signatures on the Computer Use Form from all Volunteers and maintains current files.***

**Management's Response:**

**Concur.** The IT Specialist will be obtaining signatures of each Volunteer on Computer Use Form future visits to office and continue to maintain current files beginning August 30, 2005.

**OIG On-site Verification:**

**Recommendation closed.** We verified that the IT specialist obtained signatures on the Computer Use Form from all Volunteers and maintained current files.

## **SCOPE AND METHODOLOGY**

The results of our audit conclusions are based on information gathered from three sources: (1) document and data analysis, (2) interviews, and (3) direct observation. Our audit follow-up was conducted in accordance with the governmental auditing standards prescribed by the Comptroller General of the United States.

While at the post, we interviewed key staff: the country director, the administrative officer, staff responsible for administrative support, and the medical officers. At the end of our review, we briefed the country director and the administrative officer.

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. Our scope was limited to verification of the status of previous audit recommendations found in Audit of Peace Corps/Uganda, (Report IG-05-22-A) issued September 21, 2005.