



PEACE CORPS
Office of
**INSPECTOR
GENERAL**

Management and Performance Challenges

Fiscal Year 2018

In accordance with the Reports Consolidation Act of 2000, the Office of Inspector General (OIG) has submitted what it has determined to be the most significant management and performance challenges facing the Peace Corps. The challenges discussed are to be included in the Agency Financial Report for Fiscal Year 2018.

The Inspector General's (IG) management challenges are observations of the IG based on the work performed by the OIG as well as information uncovered during the performance of our oversight responsibilities. These challenges illustrate the most significant areas OIG believes need improvement for the Peace Corps to effectively manage its resources and minimize the potential for fraud, waste, and abuse occurring in its operations. Addressing the issues related to these challenge areas will enable the agency to increase operational efficiencies and improve mission effectiveness.

Significant management challenges facing the Peace Corps:

- **Planning and Implementation**
- **Volunteer Health and Safety**
- **Human Capital Management**
- **Information Technology Security Management**
- **Compliance**

Challenge: Planning and Implementation

Why This Is a Challenge

Although the Peace Corps continues to improve key business processes and critical Volunteer support functions, it struggles to plan for the long-term impacts of risk and capital needs of the entire organization. Specifically, OIG has highlighted areas of concern where the agency did not apply sufficient time and resources to document decisions, ensure the appropriate resources are assigned, and review lessons learned. In conducting planning and implementation, the agency has been hampered by the lack of an effective enterprise risk management framework that would allow the agency to ensure that decisions made align with or ultimately benefit the Peace Corps' overall mission and agency priorities. Furthermore, insufficient planning exacerbates inefficiencies caused by decentralized processes and a relative lack of automated modern systems.

Decision Making, Documentation and Accountability

Our management advisory report on the suspension of Peace Corps/Kenya found that the agency did not sufficiently document decisions and recommendations concerning continued operations in country.¹ While Volunteers were evacuated from Peace Corps/Kenya in July 2014, Peace Corps did not reduce staff at post until June 2017. During this 3-year time period, headquarters management made numerous assessments and decisions about the viability of resuming operations. However, the agency did not take the appropriate steps to document all major decisions or the factors that influenced them and could not clearly justify decisions or ensure timely action. This proved especially disruptive because of leadership turnover in late 2016 and early 2017. The incoming management

¹ [Management Advisory Report: Managing the Suspension of Peace Corps/Kenya: A Case Study \(2018\)](#)

team lacked important information to guide their decision making about the Kenya suspension. In addition, because the agency does not have official guidance concerning post suspensions, maintaining experiential knowledge from past suspensions is critical.

Our management advisory report on Volunteer Drug Use, demonstrated that the agency has not sufficiently addressed the serious issue of drug use among Volunteers.² The lack of action is partially due to the agency's failure to gather accurate and sufficient information on the reasons why Volunteers separate from Peace Corps service. Information concerning Volunteer separation is captured and transmitted to headquarters manually, but in cases of substance abuse, staff often fill out the forms inaccurately or incorrectly. Both of the databases containing separation information were frequently missing key records. In the case of the database holding the administrative separation documentation (including resignation in lieu of administrative separation), records cannot be aggregated for statistical analysis purposes. With inaccurate, incomplete, or inconsistent information on Volunteer separations, the agency lacks insight into the pervasiveness of Volunteer misconduct and risks making uninformed decisions about mitigation or corrective action to address serious issues like Volunteer drug use. Furthermore, the agency cannot establish accountability, action plans, or performance standards without understanding the full scope of the problem.

Appropriately Assigning Resources

In recent country program evaluations, we have identified the need for Peace Corps to improve Volunteer activity reporting. Specifically, the current system creates a significant burden on post staff to clean up the data to make it useable at the post.

² [Management Advisory Report: Volunteer Drug Use \(2018\)](#)

Additionally, Volunteers reported that the tool is not user-friendly, and many have to travel out of their sites to complete the report due to insufficient internet access in their site. Further, we found that Volunteers need coaching and help with errors which requires excessive time and effort that programming staff need for other higher priority activities. Despite all these defects, the agency does not have plans to address these issues until the tool is redesigned and re-issued in late 2019. Volunteer activity reporting is also integrated into the agency's performance reporting to the Office of Management and Budget (OMB). Performance reporting is used by the agency and OMB in determining the Peace Corps' resource needs, and existing challenges with the volunteer reporting tool could distort agency performance reporting.

Reviewing Lessons Learned

In 2014, OIG reported on lessons learned from new country entries and noted that an inadequate time frame for opening a post can result in several problems, including inadequate Volunteer training, poorly developed sites, and an uneven quality in staff hiring or training.³ However, 3 years later when we conducted our country program evaluation of Peace Corps/Kosovo, we again found that there was not an adequate amount of time allotted to onboard and train new staff and prepare for Volunteers.⁴ By not applying these lessons learned to new country entries, the agency spent undue time, money, and effort.

Further, our report on recurring issues identified many common struggles that overseas posts faced over the last 5 years.⁵ While our country-specific evaluations and audits identify issues at the post level, our recurring issues report identified many agency-wide themes that the Peace Corps should tackle at the organization level, including cash management and training needs assessments. These issues have also been highlighted in OIG

work at the agency level, but changes have been slow or incremental.

Automated Systems

OIG audits and evaluations have found that several essential business functions remain largely paper-based, including processes for travel, medical supply management, payment vouchers, purchase card logs, contract files, several human resource functions, and employee off-boarding. Recently, when the agency switched its human resources system, it even replaced certain automated HR functions with paper processes. Lack of automation makes planning and implementation more challenging and impacts data reliability, as manual data processes are more prone to error.

Progress in Addressing the Challenge

The Peace Corps has made a commitment to implement an enterprise risk management framework in its FY 2018-2022 Strategic Plan. During the last several months, the agency has assigned senior level officials to lead this initiative, and these officials have worked to develop an approach to identify agency risks, risk tolerance, and any mitigating factors. The agency has worked with another Federal agency's chief risk officer to ensure the Peace Corps' approach is comprehensive. The agency has also developed management and staff level trainings geared to help employees understand individual roles in an enterprise risk management program. The agency plans to pilot these trainings in the upcoming month. However, to achieve full implementation of this framework, the agency will need to develop comprehensive policies and necessitate involvement of all agency offices and staff at all levels. Implementation of this framework will enable the agency to ensure that decisions and programs align with or ultimately benefit the Peace Corps' overall mission and agency priorities.

3 [New Country Entries: Lessons Learned \(2014\)](#)

4 [Evaluation of Peace Corps/Kosovo \(2017\)](#)

5 [Recurring Issues Report FY 2012 - 2015](#)

What Needs to Be Done

While the enterprise risk management framework is still under development, the agency needs to assess the planning, coordinating, and implementation of agency-wide policies or initiatives. Specifically, decisions should be assessed at the agency level and properly documented, efforts should be appropriately planned, and their implementation into agency policies and procedures should be timely and fully integrated.

Key OIG Resources

[Management Advisory Report: Managing the Suspension of Peace Corps/Kenya: A Case Study \(2018\)](#)

[Management Advisory Report: Volunteer Drug Use \(2018\)](#)

[Evaluation of Peace Corps/Kosovo \(2017\)](#)

[Evaluation of Peace Corps/Albania \(2017\)](#)

[Recurring Issues Report: Common Challenges Facing Peace Corps Posts, FYs 2012-2015](#)

[New Country Entries: Lessons Learned \(2014\)](#)

[Peace Corps Applicant Screening Process Final Audit Report \(2014\)](#)

Challenge: Volunteer Health and Safety

Why This Is a Challenge

While the Peace Corps works to prioritize the safety, security, and physical and mental health of its Volunteers, OIG country program evaluations and audits have identified aspects of the agency's safety and security and Volunteer medical care programs that present management challenges. Specifically, these challenges relate to the Volunteer health care program, Volunteer site selection and approval processes, transportation policies, Volunteer drug use, and sexual assault risk reduction and response.

Volunteer Health Care

In 2010, OIG reviewed the medical care provided to Volunteers following the death of a Volunteer in Morocco.⁶ The review found that the methods used to measure and monitor the quality of Volunteer health care were insufficient. A follow-up review released in March 2016 found that the agency enhanced the Volunteer health care program with regard to our 2010 findings, but further improvements were still needed.⁷ Specifically, overseas health units had experienced turnover and staffing gaps that resulted in poor transfer of patient information and documentation which can put Volunteers' health and safety at risk.

Our 2016 follow-up review also found that while the agency had established a policy to identify root causes of "sentinel events,"⁸ its sentinel event reviews had not resulted in any systemic change. The process was

⁶ [Death Inquiry and Assessment of Medical Care in Peace Corps Morocco \(2010\)](#)

⁷ [Final Program Evaluation: Follow-Up Evaluation of Issues Identified in the 2010 Peace Corps/Morocco Assessment of Medical Care \(2016\)](#)

⁸ In February 2018 the agency issued a revised medical technical guideline (TG 167) which described categories of "Patient Safety Events" including: adverse events (death, permanent harm, temporary severe harm and intervention to save life); unusual events; and close calls. The previous version of TG167 was called "Sentinel Event Procedure."

ineffective for multiple reasons: the agency categorized too many events as sentinel to review them effectively, sentinel event committee members often had conflicts of interest with the cases, and root cause analyses were not comprehensive. It is important for Peace Corps to establish a robust sentinel event review process that identifies and addresses root or systemic causes of adverse events such as preventable Volunteer deaths.

In OIG's 2017 country program evaluation of Peace Corps/South Africa, we found that the process for placing Volunteers with medical accommodations in South Africa was insufficient.⁹ We recommended that the agency consider the nature of service in the country as well as the availability of support services, when making placement decisions for Volunteers with medical accommodations, especially those with mental health accommodations. Beyond considering the availability of health services in the country, the agency did not have a process to determine what types of medical accommodations might be reasonable in South Africa, a post where it was exceptionally challenging for Volunteers to serve. The agency stated that it lacked sufficient and defensible data to make these considerations. OIG had previously recommended in a 2010 report on the Volunteer delivery system that the agency collect and analyze data to determine to what extent Volunteer medical accommodations pose an undue hardship on the operations of the Peace Corps, and that recommendation remains open.¹⁰

Volunteer Site Development

OIG found issues with site development at a number of posts. The agency requires that posts maintain site history files with relevant safety and security information,

⁹ [Final Country Program Evaluation: Peace Corps/South Africa \(2017\)](#)

¹⁰ [Volunteer Delivery System Follow-up Final Program Evaluation Report \(2010\)](#)

and that post staff review these files when considering Volunteer site placement. However, between 2012 and 2016, OIG found site history files were incomplete, insufficiently organized, or not being used to inform site selection in multiple posts and regions. OIG also found that several posts did not comply with their self-identified housing criteria, and appropriate staff (including the safety and security managers and Peace Corps medical officers) were not always sufficiently included in the site development process.

In addition, in several recent country program evaluation reports, we found that Volunteers were violating the posts' transportation policies which banned or limited the use of motorcycle taxis. Although they often said motorcycle taxis were simply more convenient, Volunteers also commonly reported that there were limited Peace Corps-approved transportation options to and from their sites, especially in rural areas. Available transportation should be considered during the site development process. The risk of an accident while riding on motorcycles poses serious danger to Volunteer safety. Without housing checks and proper site development, the agency may inadvertently place Volunteers in houses and sites that impose increased safety and security risks.

Volunteer Drug Use

In August 2018, OIG issued a management advisory report on Volunteer drug use alerting the agency that efforts to address Volunteer drug use had been insufficient and that drug use continued to pose a serious risk to the integrity and reputation of Peace Corps and to the health and safety of Volunteers.¹¹ OIG found that country directors struggled to resolve allegations of drug use through administrative action due to a high burden of proof and a lack of tools necessary to address the allegations in a fair and consistent manner. We also found that agency records on Volunteer misconduct related to drug use were incomplete, inaccurate, and inconsistent.

¹¹ [Management Advisory Report: Volunteer Drug Use \(2018\)](#)

See the Management Challenge section titled Planning and Implementation.

Sexual Assault Risk Reduction and Response

In November 2016, OIG issued a report on the Peace Corps' Sexual Assault Risk Reduction and Response (SARRR) program as required by the Kate Puzey Peace Corps Volunteer Protection Act of 2011.¹² We found that the agency lacked a comprehensive approach to gathering data about the effectiveness of the SARRR program to inform future program adjustments, including feedback from Volunteers and staff. In addition, we recommended that the agency develop guidance for Peace Corps medical officers to clarify expectations related to the provision of counseling services and communicate the guidance about available mental health support to Volunteers.

Progress in Addressing the Challenge

In February 2018, the agency updated its medical technical guidelines for Patient Safety Events (TG 167, previously referred to as Sentinel Events). These updates aim to address some of the concerns we noted in our 2016 assessment of the agency's sentinel event review process. OIG, however, has not assessed the effectiveness of the 2018 guidelines.

The agency has taken steps to update its guidance on Volunteer site development procedures and requirements for medical action plans. Medical action plans and facility assessments we reviewed in recent country program evaluations have complied with agency guidance.

To address challenges with site history files, the agency released improved guidance on management of site history files, requiring posts to develop standard operating procedures for maintaining and using site history files. The agency is piloting a new volunteer information database application where site history files will be maintained.

¹² [Evaluation of the Peace Corps' Sexual Assault Risk Reduction and Response Program \(2016\)](#)

The application is expected to be rolled out to all posts by the end of November 2018.

The agency clarified the roles and responsibilities of key staff members in the SARRR program, including the Peace Corps safety and security officers, sexual assault response liaisons, and the Office of Civil Rights and Diversity. The agency has also worked to improve both Volunteer- and staff-related trainings. It made adjustments to its training of SARRR trainers that focused on helping staff talk sensitively and candidly about risk reduction and incorporating inclusive language about sexual assault risks for male and LGBTQ Volunteers in Volunteer training. The agency provided guidance to posts on how to integrate response to sexual harassment into Volunteer training, provided guidance to Volunteers on how and when to report harassment, and asserted that SARRR trainings should continue throughout a Volunteer's service, not only at the beginning of service. The agency also created a new safety and security assessment to help posts better understand Volunteer comprehension of SARRR training and issued guidance to posts clarifying expectations regarding SARRR training for permanent and temporary staff serving in senior leadership positions.

What Needs to Be Done

Volunteer Health Care

To improve the Volunteer health care program, the agency should implement recommendations from the 2016 Follow-Up Evaluation of Issues Identified in the 2010 Peace Corps/Morocco Assessment of Medical Care, including updating agency guidance to clarify oversight responsibility for health units at Peace Corps posts. We also recommended in this report that the agency should work to improve their patient safety event review process, since this process will better ensure that the Peace Corps continuously learns how to better support Volunteer health and safety. Specifically, the agency should ensure reviews include key components like root cause identification and a focus on addressing systemic issues. The agency

also needs to provide sufficient and appropriate staffing for case reviews.

In addition, the Peace Corps should establish more systematic data collection and analysis to determine to what extent Volunteer medical accommodations pose an undue hardship on its operations.

Volunteer Site Development

In order to reduce safety and security risks to Volunteers, the agency should ensure that the planned electronic system to manage site history files is implemented effectively. Furthermore, posts need to ensure Volunteer housing meets their specified housing criteria and ensure that appropriate staff are involved in housing checks.

To reduce the risks associated with Volunteer transportation, the agency should improve implementation and enforcement of motorcycle policies at Peace Corps posts. It should clarify with posts the importance of collecting more accurate information about the transportation options Volunteers will have at their sites and consider those options in relation to the post's transportation policy and standards. Staff should take this information into consideration when approving sites for Volunteers, to determine mitigation strategies and the appropriateness of sites especially in rural areas or more remote locations.

Volunteer Drug Use

The agency should take additional measures to better address Volunteer use of unauthorized drugs. Country directors need greater support in resolving drug use allegations at post. The agency needs to gather and analyze more accurate information on drug use among Volunteers. The agency should also increase Volunteer awareness about the impacts of drug use on their safety and the effectiveness of their service.

Sexual Assault Risk Reduction and Response

The agency should expand its monitoring and evaluation plan to improve collection of feedback from staff and Volunteers on the effectiveness of the sexual assault risk reduction and response program. It should also improve communication to Volunteers regarding the availability of counseling services.

Key OIG Resources

[Management Advisory Report: Volunteer Drug Use \(2018\)](#)

[Follow Up Review of Peace Corps/Uganda \(2018\)](#)

[Final Country Program Evaluation: Peace Corps/South Africa \(2017\)](#)

[Management Advisory Report: Site History Files \(2016\)](#)

[Recurring Issues Report: Common Challenges Facing Peace Corps Posts, FYs 2012-2015 \(2016\)](#)

[Final Program Evaluation: Follow-Up Evaluation of Issues Identified in the 2010 Peace Corps/Morocco Assessment of Medical Care \(2016\)](#)

[Evaluation of the Peace Corps' Sexual Assault Risk Reduction and Response Program \(2016\)](#)

[Peace Corps' Response to OIG Investigative Review of the Circumstances Surrounding the Death of a Volunteer in Peace Corps/China \(2015\)](#)

[Investigative Review of the Circumstances Surrounding the Death of a Volunteer in Peace Corps/China \(2014\)](#)

[Death Inquiry and Assessment of Medical Care in Peace Corps Morocco \(2010\)](#)

[Volunteer Delivery System Follow-up Final Program Evaluation Report \(2010\)](#)

Challenge: Human Capital Management

Why This is a Challenge

Key pillars of human capital management include hiring, recruitment, training, and knowledge management. In performing oversight over agency operations, OIG has highlighted areas of concern in all four sectors. Most importantly, we have noted how excessive personnel turnover has substantially exacerbated these challenges.

Hiring and Recruitment

Nearly all Peace Corps U.S. direct-hire staff are subject to a 5-year term limit called the “five-year rule” (FYR). Congress enacted the FYR in 1965 to create a constant flow of new employees, including returned Peace Corps Volunteers; avoid the inflexibility associated with the civil service system; and prevent employees from working their entire career at the Peace Corps. However, when OIG analyzed the impact of the FYR in June 2012,¹³ we found that between 2005 and 2009 the annual pace of employee turnover was between 25 percent and 38 percent, quadruple the average turnover rate in the Federal government. OIG estimated that excessive turnover driven by the FYR accounted for approximately 60 percent of \$20.7 million in total turnover management costs.

In July 2017, OIG issued the “Management Implication Report: Challenges Associated with Staff Turnover” to the acting Director.¹⁴ This report outlined the negative effects of staff turnover on the agency’s ability to maintain high quality Volunteer support and improve core business functions, illustrating that high staff turnover is a persistent challenge for the agency that spans multiple levels and areas of operation.

Almost all leadership positions at the Peace Corps, both at headquarters and overseas, are subject to the FYR. Since these positions directly impact the agency’s operations, recruiting and hiring skilled personnel to fill these vacancies is critical. In 2013, OIG reported on these challenges in our audit of Peace Corps overseas staffing.¹⁵ We found that the agency struggled to maintain a robust pool of qualified applicants and fill positions in a timely manner. It had difficulty managing hiring and administrative timelines for open positions, maintaining consistency in the interview and hiring process, planning for transfers, and dealing with unexpected vacancies. These challenges were aggravated by the agency’s accelerated rate of overseas staff turnover.

Headquarters personnel recruitment is similarly challenged because many of the positions require specialized knowledge and the ability to perform government contracting, financial management, information technology, and human resources management. We found that the FYR exacerbated the agency’s challenges in attracting and retaining qualified personnel and contributed to an abbreviated average tenure of about 3 years. For example, the agency has struggled to recruit qualified staff to the Office of the Chief Financial Officer (OCFO) contracting group and short tenures within this group have compromised the agency’s ability to conduct adequate acquisition planning. Between December 2016 and August 2018, OCFO did not appoint a permanent Chief Acquisition Officer, who has the authority to administer all contracts, interagency agreements, and suspend and debar non-responsible vendors. Further, this position has faced a high level of turnover. Between July 2013 and August 2018, four staff members served in this role, but only one was fully designated, non-acting personnel. As part of their workforce

¹³ [Final Evaluation Report: Impacts of the Five-Year Rule on Operations of the Peace Corps \(2012\)](#)

¹⁴ [Management Implication Report: Challenges Associated with Staff Turnover \(2017\)](#)

¹⁵ [Final Report on the Program Evaluation of the Peace Corps’ Training of Overseas Staff \(2014\)](#)

reduction plan,¹⁶ the agency also cut 50% of the headquarters team that provides oversight of overseas contracting, even though overseas contracts comprise the majority of Peace Corps procurements. The reduction from six to three contracting officers will slow overseas contract review and approval significantly, and overseas contracting officers will not receive the same level of support. This is critical since overseas contracting officers undergo limited training.

In addition, OCFO struggled to abide by timelines and sufficiently compete contracts partially due to difficulties retaining staff. During fieldwork for the review of a large cooperative agreement, we identified that 7 different people served as officers for the agreement between 2012 and 2018. This turnover contributed to insufficient planning and reportedly impacted the agency's decision not to compete the extension of the agreement, but instead to sole-source the award. Failure to follow acquisition timelines and regulations, like ensuring competition when appropriate, increases the risk of fraud, waste, and abuse of government funds.

Training and Knowledge Management

Several internal and external evaluations of the FYR highlight the importance of knowledge management, the systematic documentation and maintenance of information. The field advisory board¹⁷ emphasized knowledge management as a critical support function for post operations. Our 2012 FYR and 2017 management implication reports specifically highlight how excessive turnover makes this process simultaneously more difficult and more critical to ensure continuity of operations. Shortened tenures contribute to insufficient institutional memory. With high turnover, the Peace Corps must rely

on its policies, reports, and other office-level operating procedures to act as its centralized source of knowledge and agency history. However, as identified in the Planning and Implementation section of this report, Peace Corps has struggled with systematically recording, maintaining, and propagating such guidance. For example, during fieldwork for the 2016 SARRR program report, OIG found that the Office of Victim Advocacy had very few written operating procedures to orient the new director of that office.¹⁸

The agency's primary training and orientation program for overseas staff members was not available to most host country national (HCN) staff, and the agency lacked a mechanism for orienting all new overseas staff members. Last year the agency decided to no longer include HCNs (except for new Peace Corps Medical Officers) in overseas staff training as part of a plan to reduce expenditures, even though they comprise almost 90% of overseas staff.¹⁹ Plans to digitize a training program for HCN staff will not be initialized until late 2019. In the absence of a comprehensive, standardized orientation and training program for all overseas staff, each post decided what information to provide to new staff. This created variability in the quality of staff training, and there was no assurance that new staff had been properly trained on important policies and procedures. Further, in both the 2013²⁰ and 2016 evaluation reports on the Peace Corps Sexual Assault Risk Reduction and Response (SARRR) program, OIG again found that there was inconsistent onboarding and continuing education processes for critical staff positions that deliver safety, security, and medical support to Volunteers. During fieldwork in 2016, OIG also could not verify that all overseas

¹⁶ In response to the Office of Management and Budget memorandum M-17-22 on reforming the Federal government and reducing the civilian workforce, issued April 12, 2017, heads of executive departments and agencies were required to develop a comprehensive plan to comply including long-term workforce reductions.

¹⁷ A committee of overseas staff that advises the agency on ways to fully enable posts to support Volunteers and the communities they serve.

¹⁸ [Evaluation of the Peace Corps' Sexual Assault Risk Reduction and Response Program \(2016\)](#)

¹⁹ According to OIG's 2014 Evaluation of Overseas Staff Training, 91.8% of overseas staff are personal service contractors or foreign service nationals who are primarily citizens of the host country, but a few may be American citizens or citizens of a third country.

²⁰ [Evaluation of the Peace Corps' Volunteer Sexual Assault Policy \(2013\)](#)

staff had received the mandatory SARRR training required by the Kate Puzey Peace Corps Volunteer Protection Act of 2011, nor could we identify who among overseas staff were required to take these trainings.

Progress in Addressing the Challenge

Hiring and Recruitment

The President signed into law the Sam Farr and Nick Castle Peace Corps Reform Act of 2018 (H.R. 2259) on October 10, 2018. The new law will allow the Director to exempt certain critical positions from the FYR if they require specialized technical or professional skills and knowledge of Peace Corps operations, such as those relating to Volunteer health services, financial management, information technology, procurement, personnel, legal services, or safety and security. That provision is supported by agency management.

The agency has been developing processes to forecast and fill vacancies to reduce the length of gaps in overseas leadership positions. It has begun using a general roster of candidates for overseas direct hire positions, with an expectation that candidates will have worldwide availability.

Training and Knowledge Management

In 2018, OSLD implemented a new learning management tool to manage training requirements and track completions for staff and Volunteers. In addition, the office hired a knowledge management specialist to institutionalize content and improve knowledge management related to staffing and development. The office is also continuing to make progress on key recommendations such as conducting a needs assessment and monitoring and updating Federal training requirements.

The agency took steps to assess staff SARRR training needs, including interpersonal skills and teamwork, and modified the training accordingly. The agency also created an

overarching policy roadmap that outlines all policies and procedures related to the SARRR program and made it accessible to staff on the Peace Corps intranet workspace.

What Needs To Be Done

Hiring and Recruitment

Following the recent workforce reduction, the agency must ensure that headquarters offices are properly equipped to provide quality support and oversight of overseas operations. The agency still needs to address two open recommendations (recommendations 2 and 3) from our 2012 FYR report relating to better management of turnover and acquisition and retention of qualified personnel in core business functions. In addition, the agency should take action to improve how it hires certain overseas managers by developing policies and procedures and should work to close the rest of the recommendations from our 2014 overseas staff training report.

Training and Knowledge Management

Peace Corps leadership must commit to developing and enacting an agency-wide strategy to formalize knowledge management practices related to recording institutional memory, transferring knowledge to new hires, and ensuring accessibility. Also, the agency needs to act on many recommendations related to training and knowledge management like creating a standardized training program for overseas staff. In addition, the agency still needs to develop, communicate, and track expectations and results for headquarters and overseas staff compliance with training-related laws and policies.

Key OIG Resources

[Management Implication Report: Challenges Associated with Staff Turnover \(2017\)](#)

[Evaluation of the Peace Corps' Sexual Assault Risk Reduction and Response Program \(2016\)](#)

[Final Report on the Program Evaluation of the Peace Corps' Training of Overseas Staff \(2014\)](#)

[Final Audit Report: Peace Corps Overseas Staffing \(2013\)](#)

[Evaluation of the Peace Corps' Volunteer Sexual Assault Policy \(2013\)](#)

[Final Evaluation Report: Impacts of the Five-Year Rule on Operations of the Peace Corps \(2012\)](#)

[Recurring Issues: OIG Post Audits and Evaluations FY 2009-2011 \(2012\)](#)

Challenge: Information Technology Security Management

Why This Is a Challenge

Effective information technology (IT) security programs help protect agency data from being misused by both internal and external sources and minimize the risk of threats to sensitive data. Federal laws and regulations governing IT security are designed to strengthen an agency's management of its operations. They also provide significant guidance to help prevent serious information security incidents. The Federal Information Security Management Act of 2002 (FISMA), as amended, is central to the Federal IT security program.²¹ The objective of FISMA is to develop a comprehensive framework to protect government information, operations, and assets.

OIG is concerned about the quality of the agency's IT security program, especially considering the sensitive data that the Peace Corps maintains about Volunteers, such as health records and sexual assault incident information. Since FY 2009, we have reported in our management and performance challenges that the Peace Corps has not achieved full compliance with FISMA or fully implemented an effective IT security program.²² Some of the identified issues have been outstanding for over 8 years, and the agency has struggled to implement corrective actions. Year after year, our results demonstrate that the Peace Corps lacks an effective information security program because of problems related to people, processes, technology, and culture.

A key foundational issue impeding the maturity of the agency's security program is the absence of a fully-implemented, comprehensive, agency-wide risk management program that is effective at monitoring, identifying, and assessing

21 FISMA was amended in December 2014 by the Federal Information Security Modernization Act of 2014 (Pub. L. No. 113-283).

22 [Review of Peace Corps' Information Security Program \(2016\)](#)

security weaknesses and resolving related problems at the entity, business process, and information system levels. Without a robust risk management process, the Peace Corps is exposed to attacks, environmental disruptions, and business failures due to human error. See the Management Challenge section titled Planning and Implementation.

Further, the agency lacks a comprehensive contingency plan that would support a unified agency response to a disruption. Without this plan the agency is unable to prioritize its resources to restore and recover mission-critical business functions in the event of a disaster. By approaching contingency planning in a piece-meal approach, the agency is not being cost effective in protecting critical assets.

Progress in Addressing the Challenge

Peace Corps management has made some progress in strengthening IT security management programs and FISMA compliance. Specifically, we have seen a shift in senior management attention with the prioritization of IT security at the highest level. Further, the agency has been developing some foundational level policies and procedures to formalize the IT security program. However, a number of FISMA issue areas discussed in prior years' management challenge statements have not been fully resolved and require full agency involvement to complete.

What Needs to Be Done

In order to ensure the agency's information, operations, and assets are protected, it is critical that the Peace Corps achieve full compliance with FISMA and other federal laws and regulations that apply to managing its IT security infrastructure.

The Peace Corps will need to focus on improving its IT security program by involving senior leadership, ensuring agency policies are comprehensive, and prioritizing the time and resources necessary to become fully FISMA compliant and eliminate weaknesses. Focusing on the implementation of the risk management framework will facilitate tailoring an information security program that meets the Peace Corps' mission and business needs across a decentralized organization. See the Management Challenge section titled Planning and Implementation.

Furthermore, as Peace Corps undertakes physically moving the headquarters facility, the agency should take this opportunity to renew and formalize a comprehensive contingency plan. Specifically, the agency should ensure that the Continuity of Operations Plan, Disaster Recovery Plan, and all information system contingency plans support a unified agency response to a disruption. This contingency plan should have input from all involved offices and include the entity, business, and information system levels.

Key OIG Resources

[Review of Peace Corps' Information Security Program \(2017\)](#)

[Peace Corps' FY 2017 Annual Performance Report](#)

[Report on Protecting Sensitive Information in Peace Corps Computer Systems \(2016\)](#)

Challenge: Compliance

Why This Is a Challenge

The Peace Corps is a small agency that finds itself challenged to meet its global mission while at the same time complying with all the requirements of a Federal agency. While the Peace Corps has shaped its core values around Volunteer wellbeing, commitment to national service, and other areas related to quality programming, diversity, and innovation, the agency has not made complying with Federal laws, regulations, and other requirements a priority. Compliance is a significant objective in the government sector. To effectively comply with relevant requirements, the Peace Corps should initiate a comprehensive effort to align policies and procedures with requirements and establish a system and authority that better support implementation.²³

The agency lacks a system to ensure policies and procedures align with Federal and other requirements. According to Peace Corps policy, the Office of the Chief Compliance Officer has the mission to develop and coordinate a compliance system with Office of Inspector General reports, Congressional mandates, and other regulations and laws. However, the office mainly focuses on IG reports due to resource constraints, as it is staffed by just two individuals. In addition, according to agency policy, the senior policy committee is responsible for ensuring that Peace Corps policies accurately reflect applicable laws, but the compliance office is not a member of the senior policy committee. This creates a gap in translating Federal and other requirements into implementable Peace Corps policies.

The agency does not have an overall manager for compliance related topics and struggles to coordinate timely and effective actions. In some cases, individuals are responsible for ensuring compliance,

²³ See [GAO Green Book](#) Section OV2.16-OV2.25 for agency management guidance for establishing objectives.

but don't have the authority over the programs to implement these changes. For example, the Chief Information Security Officer is responsible for ensuring agency compliance with Federal laws regarding the security of the agency's information systems. Through our work to assess the health of the agency's cybersecurity program, we have documented longstanding concerns. However, many of these issues are outside of this security group's purview and require larger, agency-wide involvement. See Management Challenge section titled Information Technology Security Management.

Further, with Peace Corps lacking an effective coordinating mechanism to support implementation, individual offices and staff members are responsible for knowing what has been enacted and working within their respective teams to meet requirements. For example, the Office of the Chief Financial Officer has established a new group to align financial policies and manage compliance. While this helps OCFO become more efficient, there needs to be an overarching manager to ensure that decisions made at the office level align with agency operations and priorities. See the Management Challenge section titled Planning and Implementation.

Progress in Addressing the Challenge

In the last year, in addition to establishing the OCFO policy group mentioned above, the agency has taken steps to come into compliance with some long outstanding Federal requirements. Specifically, the agency received a three-year certification for their whistleblower program in 2017, which brings them into compliance with the 2014 requirement. Furthermore, the agency formalized their drug free workplace plan, which helps bring them into compliance with a 1986 Executive Order. However, while the agency has begun drug testing

headquarters-based positions, the testing group does not include any sensitive senior agency managers who are located overseas. Lastly, the agency has made progress in coming into compliance with part of Homeland Security Presidential Directive-12 (signed August 27, 2004) by implementing logical access controls at headquarters. However, they have postponed their compliance for physical access requirements until the Peace Corps headquarters building moves locations in FY 2020.

What Needs to Be Done

While the Peace Corps has taken recent steps to address specific Federal requirements, the agency lacks a robust and unified program to ensure Federal compliance. Through OIG work and informal discussions with the agency, we have stressed the importance of complying with Federal laws; however, the agency continues to struggle in knowing when new laws and regulations exist or how to ensure compliance. An effective compliance program would establish an appropriate authority to help ensure identification, coordination, and implementation of federal requirements. As the Federal government continues to face resource challenges and the agency streamlines operations to focus on Volunteer support, the Peace Corps must adopt a deliberate and comprehensive approach to ensure compliance with all relevant rules and regulations.

Key OIG Resources

[Management Advisory Report: Purchase Card Review \(2018\)](#)

[Agency Financial Report FY 2017](#)

[2016 Review of Peace Corps' Information Security Program](#)

[Management Advisory Report: Peace Corps Drug-Free Workplace Plan \(2012\)](#)