



Peace Corps Office of Inspector General

FINAL AUDIT REPORT

Peace Corps/Niger

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EXECUTIVE SUMMARY

OUR MISSION

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

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

We found that, in general, several of Peace Corps/Niger’s financial and administrative operations were not functioning effectively. Some of the more important findings that we identified are summarized below.

Volunteer allowances

- The post improperly deducted fees from Volunteers’ allowances to recover expenses incurred by Volunteers’ use of the Peace Corps hostel located in Niamey.
- Accountability for the fees collected from Volunteer allowances was inadequate.
- The post did not conduct both Volunteer settling-in allowance and Volunteer living allowance surveys.

Billings and Collections

- The billing and collections activities were not conducted in accordance with Peace Corps policies and procedures.

Imprest Fund

- Interim advances were not issued in accordance with Peace Corps policy.
 - There were 24 outstanding interim advances issued to one staff person.
 - Interim advances were being made as loans to staff.
- The alternate cashier’s (the administrative officer) funds were not in balance; there was an overage of funds.
- Accounting for advances entrusted to sub-cashiers was inconsistent and vulnerable to loss and mismanagement.

Volunteer Property Management

- Volunteer personal property was being held for safekeeping without country director authorization.
- Associate Peace Corps Directors (APCDs) were holding Volunteer grant funds for safekeeping contrary to Peace Corps policy.

Vehicle management

- Authorized personal use of vehicles was not being billed.

- The post was using a vehicle for operations that was purchased with a Participating Agency Service Agreement (PASA) grant.

Contracts

- Lease agreements were inaccurate and did not include essential information.
- Vital information was missing from personal services contractor (PSC) files.
- The purchase cardholder did not obtain pre-approval or obligate funds before using the purchase card.

Personnel

- Compensation time was earned and used, but there was no tracking of the time by the timekeeper. The post had no written policy for compensation time.

Property management

- Receipts were not signed by staff for property that they were responsible for, and there was no accounting of property when staff left the post.

IT Security

- The IT specialist had not obtained signed Computer Usage forms from all staff or Volunteers.

Our report contains 57 recommendations, which, if implemented, should strengthen internal controls and correct the deficiencies detailed in the accompanying report.

INTRODUCTION

GENERAL

The Office of Inspector General conducted an audit of Peace Corps/Niger October 25 - November 10, 2006. We previously performed an inspection and evaluation of the post in fiscal year 1998.

BACKGROUND

The Peace Corps began its program in Niger in 1962 with seven Volunteers teaching English as a Foreign Language. PC/Niger's current projects are Natural Resources Management, Community Health, Agriculture, Community and Youth Education and Community Development. At the time of our visit, there were 90 Volunteers.

OBJECTIVE

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

AUDIT RESULTS

Several of the post's financial and administrative operations were not functioning effectively and did not comply with Peace Corps policies and federal regulations. The more significant issues we found at the post were:

- Funds were being diverted from Volunteer allowance checks for other purposes; accounting for the diverted funds was not being performed.
- Interim advances were not being cleared promptly or before a staff person received additional advances.
- The alternate cashier and sub-cashier advances were not in balance.
- Authorized personal use of vehicles was not being billed.
- Lease agreements were inaccurate and did not include essential information.
- PSC files did not contain required information in accordance with Peace Corps policy.

VOLUNTEER ALLOWANCES

VOLUNTEER ALLOWANCE MISMANAGEMENT

The post improperly deducted fees from Volunteers' allowances to recover expenses incurred by Volunteers using the hostel located in Niamey.

PCM section 221.6.1.7 requires the country director to reconcile Volunteer allowance payments to assure that the original payment list amount and the amounts deposited into the individual Volunteer accounts are verified, and that any overpayment has been collected by the cashier, deposited with the U.S. Disbursing Officer, and credited back to the living allowance obligation.

The post's practice of deducting fees from Volunteer allowances prior to the allowance being deposited into Volunteer bank accounts began during the tenure of the former country director and the former administrative officer. The post had not requested or received authorization for this deduction. According to the current staff, this procedure was established in order to eliminate individual Volunteer responsibility to pay for personal expenses, such as personal phone calls and services provided by the caretaker not covered by the post's budget.

It should be noted that we could not find any notification to Volunteers that certain personal expenses would be the individual's responsibility. The administrative officer stated

that Volunteers were not told that hostel fees were being deducted from their living allowances.

According to the PC/Niger Volunteer Handbook: “a caretaker is employed by the Peace Corps to clean the hostel, collect hostel dues, and arrange for repairs.” The collection of hostel dues by the caretaker had ceased and was superseded by the collection of fees from Volunteer allowances. There was no mention of fees being deducted from allowances in the PC/Niger Volunteer Handbook.

The deduction from each Volunteer’s allowance was based upon a fee schedule developed by the post. We were told that the fee schedule was based on a Volunteers’ distance to the capital. The fees deducted may have resulted in inequitable treatment for some Volunteers as Volunteers’ use of the hostel varied.

Deductions from Volunteer allowances constitute collection activity by unauthorized staff.

Peace Corps Manual (PCM) section 777 states that the cashier, as the designated authorized collection officer, is the only staff member authorized to collect funds.

In addition to the fact that the deduction of hostel fees from Volunteer allowances was unauthorized, the collection of hostel fees was made by unauthorized staff. The administrative assistant received these deductions from the bank and gave the cash to the administrative officer for distribution of hostel expenses. These funds were maintained in a cash box in a bar-locked filing cabinet in the administrative officer’s office.

The deductions of fees from Volunteer allowances is not a collection activity that the administrative officer is authorized to perform.

The primary reasons for designation of the cashier as the authorized collections officer are to strengthen internal control and ensure full accountability of funds. As a result of the post’s poor internal controls, accountability over the funds was lost. See section below for further discussion.

Accountability for the fees deducted from Volunteer allowances was inadequate.

PCM section 221.6.2 states that use of any other system for payment of Volunteer allowances is only allowed with the prior approval of the Chief Financial Officer.

Despite agency policies and procedures for handling Volunteer allowances, the administrative officer followed locally developed procedures that were in place prior to her tenure and deducted fees from Volunteer allowances to pay expenses for the Niamey Hostel not funded in the post's budget.

Initially, the post had set up a separate "offline" system to account for funds to be maintained by the administrative officer. However, accountability over the funds was lost when the administrative officer failed to maintain separate accounting records. This resulted in a loss of accountability and ineffective stewardship over the funds.

During the audit, we attempted to verify the cash balance of fees deducted from Volunteer allowances using available documentation. We noted that vendor invoices, receipts, and other supporting documentation pertaining to the deductions were kept haphazardly in a box located in the administrative officer's office. A cash count showed a balance on hand of 272,679 CFA, equivalent to \$531.57. It appeared that the post may have commingled deductions from Volunteer allowances with funds collected from other sources. Therefore, we considered the status of these funds unauditably.

The post did not implement a Memorandum of Agreement (MOA) with the local bank handling Volunteer allowances.

PCM section 221.6.1.1 requires all country directors using the single payment system to execute a Memorandum of Agreement with all banks involved in the handling of Volunteer allowances. Attachment F of PCM section 221 provides the format that should be followed for the MOA.

Although the post used a local bank to receive Volunteer living allowance checks and distribute the funds to Volunteer accounts, the post could not find in its files the MOA between the post and the bank. We observed that files and other

critical documentation were not maintained in an orderly manner.

Operating without a written agreement could result in a loss of accountability for funds because procedures for resolving issues such as overpayments, underpayments, closure of Volunteer accounts, handling of dormant funds, and return of funds to the U.S. government has not been established.

The post did not conduct both settling-in allowance and living allowance surveys.

PCM section 221.5.5.1 requires that at least annually, the post conduct a living allowance survey. PCM section 221.4.2 requires that post conduct settling-in allowance surveys within three months of Volunteers swear-in date. Despite these requirements, the post had not issued settling-in or living allowance surveys to Volunteers in 2005 or 2006.

The administrative officer did not conduct the required surveys because she had not heard complaints from Volunteers. According to the administrative officer, Volunteers had always stated that they were satisfied with their allowances at the close-of-service conference. As a result, surveys were not a high priority for the post.

RECOMMENDATIONS

We recommend:

- 1. That the post immediately discontinue the practice of deducting fees from Volunteer allowances.**
- 2. That the post reconcile the funds deducted from Volunteer allowances with expenditures incurred. Excess funds collected for hostel fees should be used for hostel expenses not covered by the post's operating expenses.**
- 3. That the post review the expenses of the Niamey hostel and develop a method for Volunteers to pay for their personal expenses.**
- 4. That the post implement an MOA with the bank used to process Volunteer allowances in accordance with PCM section 221, attachment F.**

5. That the post conduct Volunteer living allowance surveys annually in accordance with PCM section 221.5.5.1.
6. That the post comply with agency policy to complete the Volunteer settling-in allowance survey within the prescribed period.

BILLINGS AND COLLECTIONS

BILLING OFFICER DUTIES AND RESPONSIBILITIES

The billings log contained deficiencies.

The post's billing log was current. However, our review of the billing log disclosed departures from policy stated in PCM section 777 and OFMH section 9. The billing log did not include the dates that bills were collected, fiscal coding, and the general receipt number.

The billing officer, who maintained the billing log, did not have an explanation for the deficiencies. As a result, there are no assurances that all billings are being properly collected and recorded in the Peace Corps accounting system.

The billing and collections activities were not conducted in accordance with Peace Corps policies and procedures.

OFMH section 9.1 requires posts to maintain separation of responsibilities in the performance of billing and collection functions to ensure that adequate internal controls are in place.

We found that the collection officer was performing both the billing and the collection activities. The collections officer was sending emails and/or calling debtors directly to make follow-up collections. This activity should have been handled by the billings officer and should be in the form of a collection notification in writing. OFMH section 9.2.1 requires that the billing officer send one reminder each month for any outstanding bill.

Additionally, we noted that the collections officer was not performing billing activities in accordance with Peace Corps policy. OFMH section 9.2.1 requires that bills of collection (BOC) be numbered sequentially. Also, bills normally

include a copy of a letter to further explain the BOC or because it is the custom in country.

The collection officer believed his activity was proper because he was responsible for receiving the payments. However, the collection officer's practice of making follow-up collections and receiving payments circumvented Peace Corps' internal control policy for separation of duties designed to minimize loss of funds due to fraud and mismanagement.

The administrative assistant was completing bills of collection.

We found that the billing officer was not preparing bills of collection to recover overpayments from the bank handling Volunteer allowances. Instead, this function was being performed by the administrative assistant. The administrative assistant believed it was her responsibility because she believed that she was more capable of identifying overpayments as she was informed on the status of Volunteers not requiring the full allowance amount. However, the administrative assistant should pass on this information to the billings officer to initiate billing for Volunteer allowances deposited with the bank but not distributed to Volunteers. OFMH section 9.2 requires the billing officer to prepare bills of collection based on information he/she receives.

Allowing staff other than the billings officer to initiate collection activity, such as preparing bills of collections, weakens the post's internal controls designed to ensure that debts are properly recorded, monitored, and collected. Additionally, there is insufficient separation of duties since the administrative assistant was handling the deposit to the bank and was involved in obtaining refunds.

RECOMMENDATIONS

We recommend:

- 7. That the post include on the billing log the date collected, receipt number, and fiscal coding.**
- 8. That the billing officer complete all follow-up billings and that they are in writing.**
- 9. That the billing officer be the only staff person to complete bills of collections.**

IMPREST FUND MANAGEMENT

IMPREST FUND SECURITY

The cashier did not personally set the combination to the imprest fund safe and change the combination at least annually as required by agency regulations.

PCM section 760.9.4 and OFMH section 15.11.1 require that the cashier personally set the combination and change it at least annually or whenever there is a change in cashiers, or whenever the combination becomes known to a person other than the cashier. According to OFMH section 15.11.1, the embassy's Regional Security Officer (RSO) or technician assisting with the changing of the combination is not authorized to set or know the combination of the safe.

This condition existed because the post did not request the RSO's assistance to show the cashier how to change the safe combination. Consequently, the cashier had not changed the cashier safe combination in two years.

Limiting the annual resetting of the combination to the cashier reinforces the cashier's responsibility for safeguarding the imprest fund and personal accountability for its contents.

Not all currency was maintained in locked cash boxes.

OFMH section 15.11.1 and PCM section 760.9.5 require that cash be stored in a cash box. Each cashier should maintain a cash box with its own key or combination lock. When a post operates both dollar and local currency funds, the two funds must be kept in separate cash boxes, accounted for separately, and must not be intermingled.

We observed that the cashier kept a portion of local currency unit (LCU) outside the locked cash box because the LCU cash box was not large enough to hold all the LCU funds.

The locked cash boxes add additional security for protecting the imprest fund.

CASHIER OPERATIONS

The cashier hours of operation were insufficient.

OFMH section 4.3.2 specifies that it is the country director's responsibility to set the cashier's hours. The purpose of the imprest fund, the volume of disbursements, general office hours, local business practices, and the need for the cashier to

ACCOMMODATION EXCHANGES

have adequate time to prepare reimbursement vouchers and other required paperwork should be considered in setting cashier's hours.

However, we observed that the cashier hours were only 3.5 hours a day four days a week or 14 hours per week. His only other assigned duty was being the collection officer.

During discussions with Volunteers, we received several complaints concerning their access to the cashier cage due to the short operating hours. Volunteers also stated that the cashier was strict about not transacting business during non-business hours.

The post's explanation for the short operating hours was that the cashier was following the hours set by the former cashier.

The cashier did not maintain an accommodation exchange log.

PC/Niger was authorized to make accommodation exchanges to American staff. The cashier reported the transactions correctly; however, the cashier was unaware that he needed to maintain a transaction log as required by 4-FAM-3 H-361.3-3. This log maintains information that the cashier would need to have if he received a bad check, and also information that would be helpful for decision making as to whether to continue the use of accommodation exchanges.

ACCOUNTING FOR ADVANCES

Interim advances were not issued in accordance with agency policy.

OFMH section 14.9.1 provides guidelines for the issuance of interim cash advances, which are temporary cash advances: "It is the responsibility of the cashier to monitor the clearance of interim advances and to notify the administrative officer if advances are not cleared within five days for direct follow-up action."

Contrary to Peace Corps policy, we determined that the General Services Officer (GSO) had 24 outstanding advances. We also found numerous additional interim advances over five days old.

The post did not have a system of controls in place to assure that only one interim advance was outstanding to individual staff members at any given time.

OFMH section 15.4 states: “A cashier may not loan official funds or use them for personal purposes.”

We found that the post had processed interim cash advances that were made to staff as loans.

The cashier and administrative officer stated that providing loans to staff from the imprest fund is in accordance with local law. PCM section 743.10.7 states that if the host country agreement authorizes a local law benefit, the country director should make a written request to the regional director. However, the post had not requested or received authorization for these types of cash advances.

The alternate cashier’s imprest fund advance was not in balance.

OFMH section 15.4 requires the post to take steps to safeguard the imprest fund from loss, misuse, and mismanagement. Preventive measures that should be employed by the post include accurate accounting of advances to alternate cashiers and sub-cashiers and ensuring that there be no intermingling of imprest funds with personal funds, other government funds, or any other fund.

The OFMH also strongly discourages administrative officers from serving as alternate cashiers, due to concerns about internal controls.

Nevertheless, the administrative officer served as the alternate cashier and received an advance of approximately 1,300,000 CFA, equivalent to \$2,535. During our initial verification of the alternate cashier’s advance, we found a shortage of 418,020 CFA, equivalent to \$815.00. After further investigation, it was determined that the shortage was due to an error in the replenishment of the advance by the cashier. The cashier had removed uncleared vouchers, totaling 448,000 CFA, from the administrative officer’s office without replenishing the administrative officer’s cash advance. Through an immediate re-verification of the cashier’s funds and a review of the contents of the safe, we detected the cashier’s error. After correcting the alternate cashier’s advance, there was a 29,980 CFA overage, equivalent to \$58.44.

The administrative officer may have intermingled personal funds with the imprest fund. The administrative officer stated

that she occasionally made payments from her personal money when she was busy and did not feel she had time to get into the bar-locked cabinet, and that she may not have repaid herself for these expenses.

The OFMH specifically prohibits the intermingling of funds.

Accounting for advances entrusted to sub-cashiers was inconsistent with OFMH requirements and vulnerable to loss and mismanagement.

Exhibit C of the OFMH outlines duties and responsibilities for management of imprest funds entrusted to sub-cashiers.

Despite Peace Corps' accountability requirements, the post did not have effective accounting procedures for the sub-cashiers. We found that there was inconsistency in the management of funds entrusted to each sub-cashier. For example, we discovered that each sub-cashier was following different accounting methods or employed no method at all to account for funds such as retaining a ledger showing all transactions, receipts, and dates. As a result, sub-cashiers often had difficulty accounting for funds entrusted to them because they did not maintain accurate accounting records. A reconciliation of the sub-cashier funds reflected minor discrepancies.

Ineffective accounting procedures weaken internal controls for advances entrusted to sub-cashiers and increase the risk of loss.

The combination for the locked file cabinet used to store funds was not kept confidential.

OFMH section 15.11.1 states the requirements for safeguarding the imprest funds. Each cashier is personally responsible for the imprest fund. Protecting the combination of the lock is among the requirements that must be followed to ensure the safeguarding of imprest funds.

A sub-cashier maintained funds in a locked file cabinet that used a combination lock. We noted that several Volunteers had access to the locked file cabinet and the combination for the lock. The sub-cashier stated that the combination had been shared with only a "few" Volunteers so they could keep their personal valuables in the locked file cabinet.

However, allowing uncontrolled access defeated the purpose of a secure container (safe or bar-locked file cabinet) intended to prevent theft or loss of funds. Additionally, in the event of a shortage of funds, the sub-cashier would be held liable for the loss.

A sub-cashier loaned imprest funds to a staff person.

OFMH section 14.7 and PCM section 760.6.4 list questionable and prohibited payments from the imprest fund. Payments from the imprest fund are never allowed for making loans or payments of personal bills.

We found that one sub-cashier, a Volunteer, had loaned funds from the imprest fund to a staff person. The sub-cashier said the staff member needed the money, and the sub-cashier agreed to assume responsibility for the loan in the event it was not paid back. The sub-cashier stated that she was unaware that she was not authorized to loan imprest funds to staff persons.

We believe that this situation occurred because sub-cashiers were unaware of Peace Corps policies and procedure governing the management of imprest funds.

RECOMMENDATIONS

We recommend:

- 10. That the country director ensure that the combination lock on the imprest fund safe be changed annually or when there is a change of cashiers.**
- 11. That the post provide the cashier with cash boxes large enough to hold all currency.**
- 12. That the cashier maintain the imprest fund currency, USD and LCU, in separate locked cash boxes when the currency is not being handled.**
- 13. That the country director conduct an analysis of the cashier hours to determine if the cash cage needs to be open for longer hours to meet Volunteer and staff needs.**
- 14. That the cashier establish an accommodation exchange log and record all accommodation exchange transactions.**

15. That the cashier develop a system to ensure that interim advances are not issued if an employee has one outstanding.
16. That the cashier clear all outstanding interim advances over five days old.
17. That the post discontinue providing advances (loans) to staff that are based on local law until written approval is received.
18. That the cashier close out the alternate cashier's advance, report the overage identified during the imprest fund audit verification, and deposit the overage into the Treasury Miscellaneous Receipt Account 11-1060.
19. That the post establish an accounting system and convey Peace Corps policy for the security, accountability, allowability, and monitoring of maintained funds to the sub-cashiers.
20. That the cashier train each sub-cashier and that the training include: how to use the accounting system, how to identify improper payments, and the method in which to ensure the security of the funds.

VOLUNTEER PROPERTY MANAGEMENT

VOLUNTEER GRANT FUNDS

Associate Peace Corps Directors (APCDs) were holding Volunteer grant funds for safekeeping.

PCM section 235.3.0 states: "Peace Corps employees and contractors may not take custody of Volunteer and Trainee property without Country Director (CD) authorization." The APCD/Community and Youth Development was holding Women in Development/Gender and Development funds on behalf of Volunteers in a locked filing cabinet in her office. We were advised that other APCDs also hold cash in their offices for Volunteers until the Volunteers need their grant funds. By holding funds without authorization from the country director, APCDs are assuming personal liability for any property and funds for which they have custody.

VOLUNTEER PERSONAL PROPERTY

Volunteer personal property was being held for safekeeping without country director authorization.

PCM section 235.3.0 states: “Peace Corps employees and contractors may not take custody of V/T property without country director authorization and absent such authorization, may be personally liable for the loss of any property for which they have assumed custody.”

According to PCM section 235.4.0, when custody of Volunteer property is approved and justified, “written policies and procedures must be in place” at the post.

Despite this guidance, a staff person was accepting Volunteer property for safekeeping without authorization by the country director.

Additionally, Volunteer property was being accepted for safekeeping without following Peace Corps policy as the staff member accepted property from Volunteers in sealed envelopes without verifying the contents of the envelope and value of the property being accepted. The staff person did not issue receipts for the personal property accepted for safekeeping, nor was there a log maintained of the property held. Furthermore, Volunteers were not notified of the \$750 agency liability limitation in the event of a loss.

This situation existed because the post had not updated procedures that complied with current Peace Corps policy. The post was following procedures established by a previous country director.

Additionally, Volunteers were not provided full disclosure of Peace Corps policy regarding Volunteer property held by Peace Corps for safekeeping. The PC/Niger Volunteer Handbook states: “. . . money and documents can be kept in the administrative assistant’s safe.” However, the PC/Niger Volunteer Handbook does not include Peace Corps limits on liability and the process to safeguard property left with Peace Corps for safekeeping.

As a result, staff members are accepting custody of Volunteer/Trainee property and may have inadvertently assumed liability in the event of a loss. However, staff and Volunteers did not have proof of the property held in safekeeping by Peace Corps.

RECOMMENDATIONS

We recommend:

21. That the country director authorize a safekeeper to maintain Volunteer property based on PCM section 235.
22. That the country director ensure that only the safekeeper hold Volunteer property in safekeeping.
23. That the safekeeper give a receipt to Volunteers for property held for safekeeping.
24. That the post advise Volunteers of the \$750 liability limit for property held for safekeeping.
25. That the safekeeper maintain a log of all property kept for safekeeping that includes the date received, Volunteer name, value of the property, and description of the property.

PROPERTY MANAGEMENT

SEGREGATION OF RESPONSIBILITIES

The person who maintained the inventory records also performed the physical inventory.

Property inventory procedures are described in PCM section 511.5.6. When conducting physical inventories, it is Peace Corps policy that individuals other than the property officer check database property reports against physical inventory of property to confirm the existence of property listed on the inventory record.

The purpose of separation of duties in the management of assets is to reduce the risk of loss due to error, fraud, or theft.

However, we found that the general services officer (GSO) maintained the inventory records and also conducted the physical inventory.

The inventory listings contained discrepancies.

PCM section 511.5.2 requires that each office conduct an inventory at least once a year. PCM section 511.5.5 provides procedures for the conduct of the inventory.

Our review of the post's inventory records disclosed several discrepancies and was not in full compliance with PCM section 511.

We selected a judgmental sample of inventory items listed in the inventory records for the Niamey office and completed a full inventory verification for the Maradi office. During the inventory verification, we identified items listed on the inventory control records that were not found at the locations. Conversely, we identified items at the locations that were not included in the inventory records. Additionally, the IT inventory was also included in the equipment and furniture inventory.

We also found that there were two different inventory records for the Maradi office. The Niamey office maintained an inventory control record for the Maradi office and the Maradi office had developed its own inventory records.

We believe that the discrepancies in the inventory records occurred because the post had not developed a systematic approach for maintaining an updated inventory including the recording of property being moved from one location to another and retaining disposal documents. Without an adequate property management system, the post is vulnerable to loss of property accountability due to theft or general mismanagement.

The post did not obtain custody receipts for post property in possession of U.S. direct hires, Volunteers and other staff.

PCM section 511.6.2.2 requires that custody receipts be issued when releasing non-expendable property to staff for use away from the Peace Corps office. Custody receipts document the staff's possession of agency property and their accountability to maintain and return it.

Custody receipts were not being obtained from U.S. direct hire (USDH) staff, Volunteers, and other staff in possession of Peace Corps property. Additionally, Volunteers, staff and contractors were not required to account for or return Peace Corps property before permanently departing post.

This condition occurred because the GSO stated he had not implemented this requirement. Without an adequate control of Peace Corps property issued to staff and Volunteers, the

post is vulnerable to loss of property due to theft, or general mismanagement.

RECOMMENDATIONS

We recommend:

- 26. That the post establish separation of duties by ensuring that different persons maintain the inventory records and conduct the physical inventory.**
- 27. That the GSO update the post's inventory records after completing a full physical inventory of all property.**
- 28. That the post develop and implement a systematic approach for maintaining an updated inventory record including a process to record property being moved from one location to another and retaining disposal documents.**
- 29. That the IT specialist maintain the IT inventory separate from the furniture and equipment of the post.**
- 30. That the GSO obtain custody receipts from all staff and Volunteers for property for which they are responsible.**
- 31. That the GSO require Volunteers, staff and contractors to account for or return Peace Corps property before permanently departing post.**

VEHICLE MANAGEMENT

VEHICLE INVENTORY

The post is not in compliance with the vehicle ceiling limit.

PCM section 527.20 outlines the Peace Corps policy regarding vehicle acquisition. The Peace Corps's authority to acquire vehicles is subject to legislative restrictions, including, among others, restrictions on the number and types of vehicles the agency may maintain.

The post's vehicle ceiling limit is 12; however, the vehicle inventory disclosed that the post had 13 vehicles in use. The

excess vehicle was originally purchased with USAID PASA funds to support a PASA project. At the end of the PASA project, two vehicles remained: one was sold and funds used for PASA purposes and the post assumed the second vehicle and used it to support Peace Corps operations. In addition to utilizing the vehicle to support Peace Corps operations, the post spent agency funds to maintain the vehicle. For example in 2005, the post expended \$1,009 for repairs and purchased 382 gallons of fuel for the vehicle valued at \$3,463.

The post sought guidance from the Office of General Counsel regarding the sale of PASA vehicles in 1998. The guidance suggests that benefits from the vehicle or the proceeds from the sale remain with the PASA projects. The guidance did not authorize conversion of the vehicle for Peace Corps use or the sale of a PASA vehicle to fund Peace Corps operations.

Additionally, the post excludes the PASA vehicle from agency vehicle reporting requirements. It should be noted that the administrative officer was advised by the administrative services vehicle manager that the vehicle needed to be reported as part of the vehicle inventory and included in the post's vehicle ceiling. However, the administrative officer told the vehicle manager that the vehicle was exempt from being included in the ceiling inventory based upon documentation. However, the administrative officer was unable to provide any documentation during the audit supporting the exemption. Without such an exemption, the post may be in non-compliance with agency policy and legislative restrictions.

VEHICLE USAGE

The Daily Vehicle Usage Log was not reviewed and monitored on a weekly basis.

PCM section 527.6.1 requires that the daily logs be reviewed weekly, initialed, and signed by the person responsible for maintaining vehicle maintenance records, initiating repairs, and billing for authorized non-official use.

The staff member responsible for reviewing vehicle logs was reviewing the logs on a monthly basis rather than a weekly basis. The staff member stated that he was unaware of the agency policy to review the logs on a weekly basis.

By not reviewing the logs on a weekly basis, necessary repairs could be left undone and create a safety hazard. Weekly

monitoring can help identify problems so that preventive action can be taken to maximize vehicle availability to support the Peace Corps mission.

Personnel were not billed and funds not collected for authorized personal vehicle usage.

PCM section 777.8.0 states the agency's policy for collecting debts from agency employees, Volunteers, and experts: "Debts are incurred through the non-official use of Government-owned transportation, communication facilities or living accommodations, loss of funds, loss or damage to government-owned equipment, property, etc."

The APCD/Natural Resource Management had not been billed for his authorized personal use of Peace Corps vehicles for over a year, the country director had not been billed since her arrival at the post. This condition existed because the GSO did not notify the billing officer of the outstanding debts so that bills of collection could be prepared and submitted to debtors for collection.

By not billing debtors promptly, bills of collections could become unmanageable, or a person could leave the service of Peace Corps before a bill of collection was rendered.

RECOMMENDATIONS

We recommend:

- 32. That the post obtain a legal opinion from the Office of the General Counsel to determine the appropriateness of converting the PASA vehicle to Peace Corps property and use.**
- 33. That the GSO review the vehicle usage logs weekly and initial and date them when reviewed.**
- 34. That the GSO submit authorized personal vehicle usage to the billing officer at least once a month for collection.**
- 35. That the post make a collection for prior authorized personal use of Peace Corps vehicles.**

CONTRACTS

LEASE AGREEMENTS

A majority of PC/Niger's lease agreements did not comply with Peace Corps policy.

PCM section 733.4.0 requires that certain basic information and specific provisions are included in leases agreements unless the post has an exception in writing.

A review of the 14 lease agreements disclosed the following deficiencies with Peace Corps policy:

- Eleven leases did not include full descriptions including square footage.
- Eight leases did not include any provision for increases in lease amounts.
- One lease agreement which had designated the property to be used as a training site used the property for housing of the training staff.
- The leases for the Volunteer Leader house and the transit house in Zinder did not include the provision requiring the written notice requirement of 30-90 days notice prior to termination.
- The lease for the Sonuci Studio property was not signed; the administrative officer stated that the government agency of Niger refused to sign the lease.
- Ten lease payments were paid semiannually or annually (no approval for this method was found in the file).
- Three leases did not use the agency's standard lease template provided by the Office of Acquisitions and Contract Management.
- Two lease options were executed for years beyond option periods specified in the lease. No new leases had been issued extending the option periods.

Using the Peace Corps lease format would avoid most problems with PC/Niger leases. Although the administrative officer had been at the post for over two years, she stated that she had not had time to review the leases to see if they were compliant with Peace Corps policy.

The post did not obtain certificates of acceptance for most leases.

Four leases did not have a signed certificate of acceptance as required by PCM section 733. Such certifications are

important in that they fix the date from which the agency is assuming responsibility for the property and for lease payments. The post, therefore, did not complete the entire standard lease form for all leases.

One staff member leased a residence with a swimming pool contrary to Peace Corps policy.

PCM section 515.3 outlines agency policy regarding housing for Peace Corps staff overseas and states:

The country director is responsible for ensuring that full-time, overseas Peace Corps employees under his or her supervision have suitable secure residences that reflect a modest lifestyle. . . . Peace Corps employees may not live in residences with swimming pools or tennis courts, nor may they live in neighborhoods considered by the local population to be "foreign compounds." Exceptions to this rule may be made only by the regional director. Exceptions should be based on recommendations from the country director and documentation from the Chief of Mission concerning the lack of adequate and secure housing in-country.

We noted that one residence had a swimming pool that had not been authorized in writing from the regional director. We were advised that the regional director was aware of the pool.

PSC CONTRACTS

PSC files did not comply with Peace Corps policy.

PCM section 743 provides the required information to be maintained for PSC files. We found that the following required information was not in the post's PSC files:

- Dated security clearances for all PSCs (there were several undated security clearances from the RSO).
- Intelligence Background Information Certification Forms.
- Statements of duties were missing from 14 files.
- Contract evaluation information such as candidate qualifications, experience, and education were missing from 24 files.
- Annual evaluations were missing; it was unknown if they were misplaced or had not been completed.

POST PURCHASE CARD

- Contract leases were not signed at the end of contract periods
- Contract authorization for three contracts in excess of \$50,000 (including option years).
- OMS's approval for hiring a third country national was not in a Peace Corps Medical Officer (PCMO) file.
- There was no current contract for a PCMO in his file.
- One file only had the top cover sheet for the contract in the file.
- We noted that the administrative officer executed third year options for 27 contracts although the original contract was for one year plus two option years.

The country director attempted to obtain security clearances from the RSO while the audit was ongoing. The RSO sent several clearance certifications; however, none were dated.

An administrative assistant was assigned to reorganize the administrative files and to identify and replace missing information in the files. However, we noted that she was unaware that the Intelligence Background Information Certification form was one of the missing items.

This condition existed because of the administrative officer's lack of attention to detail and inadequate organizational skills. For example, we provided the administrative officer with a list of missing items during the first week of the audit and we encouraged the administrative officer to have the staff help compile the missing information. Unfortunately, it was not done nor did she turn the Intelligence Background Information Certification form over to the administrative assistant to help complete the task.

Also, some staff stated that they were evaluated, but did not receive a written copy of their evaluation. One staff person was evaluated by a PSC contrary to PCM section 743.19.

Purchases made with the post's purchase card were not approved or obligated before the purchases were made.

OFMH section 45.4 requires that approving official must concur before purchases are made and the cardholder must check to see that there are funds available to obligate purchases before they are made.

The administrative officer, who was the purchase card holder, made purchases with the purchase card prior to obtaining the country director's approval or obligating the funds. Although the administrative officer maintained a log of her purchases, she believed approval was not needed by virtue of fact that the card was assigned to her. Without the control of a pre-approval, the purchase cardholder could misuse the card, and without obligating funds prior to the purchase, she could obligate the post for funds in excess of their appropriation.

RECOMMENDATIONS

We recommend:

- 36. That the post obtain approval from the Office of Acquisitions and Contract Management to pay their leases in methods other than quarterly payments or change their payment procedures to quarterly payments.**
- 37. That the post include full descriptions including square footage in all leases.**
- 38. That the post include provisions for increases in lease amounts in option periods.**
- 39. That the post obtain a signature on the certificate of acceptance for the four leases.**
- 40. That the country director obtain written authorization from the regional director for leasing a property with a swimming pool.**
- 41. That the post use the standard lease agreement template provided by the Office of Acquisitions and Contract Management for leases or obtain their approval to use alternate forms.**
- 42. That the post obtain leases for the Volunteer Leader house and transit house in Zinder and include the 30-90 day written notice requirement prior to termination.**
- 43. That the post obtain approval from the Office of Acquisitions and Contract Management and the regional director to lease the Sonuci Studio property without a signed lease.**

44. That the post work with the Office of Acquisitions and Contract Management to rectify execution of options for the two lease agreements and twenty-seven PSC option agreements that were signed without available option years.
45. That the country director request that the RSO complete security clearances for all staff and send the dated security clearances to the post to be filed in each staff person's contract file.
46. That the administrative officer obtain signed Intelligence Background Information Certification forms from all staff and include them in their contract file.
47. That the administrative officer and the country director complete Statements of Duties for all staff and file them in the staff person's respective file.
48. That staff responsible for performing annual evaluations, complete them annually, review them with the staff person evaluated, give one copy to the staff member, and place another copy in the staff person's file.
49. That the post not allow PSCs to evaluate other staff.
50. That the administrative officer update the PCMO's files to include their full contract and OMS's approval for their hiring.
51. That the post obtain contracting authorization for all contracts in excess of \$50,000 (including option years).
52. That the cardholder obtain authorization and obligate funds prior to using the purchase card.

PERSONNEL MANAGEMENT

TIME AND ATTENDANCE

No tracking record was kept of compensation time earned or used.

Compensatory guidelines may be found in PCM 742.6.3.4.3.

The post's compensatory time policy was unclear. The post allowed compensatory time for some staff; however, there was no written policy for earning, approval, or tracking the compensatory time. We noted that staff filled out a form and submitted it to supervisors when they took compensation time earned. However, compensatory time balances fluctuated from pay period to pay period without explanation and was not tracked by the timekeeper. The timekeeper had not been advised to maintain compensatory records, nor was she given the details of compensation time earned or used by employees.

Insufficient controls over the earning, using, and recording of compensatory time could lead to abuse.

The post did not use the standard leave records (PC-57s).

PCM 742.6.3 requires that employee annual attendance and leave be recorded on PC-57. The PC-57, "Annual Attendance Record," is the official document for recording leave. The form shall be updated on a biweekly basis using information entered on the individual time certification sheet.

In lieu of following Peace Corps policies and procedures, the timekeeper had developed her own form to account for employee vacation and sick days.

This condition occurred because the timekeeper was unaware of the PC-57 requirements and the administrative officer had not passed the form on to the administrative assistant who was maintaining the time records. The administrative officer stated that time and attendance records were reviewed periodically but not documented.

RECOMMENDATIONS

We recommend:

- 53. That the post develops a written policy for compensation time.**
- 54. That the timekeeper track compensation time.**
- 55. That the timekeeper use form PC-57 to track all leave earned and taken, i.e., compensation time, vacation time, and sick leave.**

56. That the administrative officer perform the bi-annual time and attendance audits as required by PCM section 742.

INFORMATION TECHNOLOGY SECURITY

IT SECURITY

The IT specialist had not obtained computer use forms.

Forty-one out of 90 Volunteers had not signed the Computer User Form and four staff member's computer use forms were not on file.

The IT specialist thought he had obtained all the staff members' forms, but they were not in the file. He also stated that he normally obtained all Volunteer forms at the end of training, but did not get all of them back from the last training group. These forms are important in documenting the staff's and Volunteer's agreement to comply with computer usage rules and regulations. Signed Computer Use Forms are required by PCM section 542.76.1.

RECOMMENDATION

We recommend:

57. That the IT specialist obtain and maintain computer use forms signed by all staff and all Volunteers.

LIST OF RECOMMENDATIONS

WE RECOMMEND:

1. That the post immediately discontinue the practice of deducting fees from Volunteer allowances.
2. That the post reconcile the funds deducted from Volunteer allowances with expenditures incurred. Excess funds collected for hostel fees should be used for hostel expenses not covered by the post's operating expenses.
3. That the post review the expenses of the Niamey hostel and develop a method for Volunteers to pay for their personal expenses.
4. That the post implement an MOA with the bank used to process Volunteer allowances in accordance with PCM section 221, attachment F.
5. That the post conduct Volunteer living allowance surveys annually in accordance with PCM section 221.5.5.1.
6. That the post comply with agency policy to complete the Volunteer settling-in allowance survey within the prescribed period.
7. That the post include on the billing log the date collected, receipt number, and fiscal coding.
8. That the billing officer complete all follow-up billings and that they are in writing.
9. That the billing officer be the only staff person to complete bills of collections.
10. That the country director ensure that the combination lock on the imprest fund safe be changed annually or when there is a change of cashiers.
11. That the post provide the cashier with cash boxes large enough to hold all currency.
12. That the cashier maintain the imprest fund currency, USD and LCU, in separate locked cash boxes when the currency is not being handled.
13. That the country director conduct an analysis of the cashier hours to determine if the cash cage needs to be open for longer hours to meet Volunteer and staff needs.
14. That the cashier establish an accommodation exchange log and record all accommodation exchange transactions.

15. That the cashier develop a system to ensure that interim advances are not issued if an employee has one outstanding.
16. That the cashier clears all outstanding interim advances over five days old.
17. That the post discontinue providing advances (loans) to staff that are based on local law until written approval is received.
18. That the cashier close out the alternate cashier's advance, report the overage identified during the imprest fund audit verification, and deposit the overage into the Treasury Miscellaneous Receipt Account 11-1060.
19. That the post establish an accounting system and convey Peace Corps policy for the security, accountability, allowability, and monitoring of maintained funds to the sub-cashiers.
20. That the cashier train each sub-cashier and that the training include: how to use the accounting system, how to identify improper payments, the method in which to ensure the security of the funds.
21. That the country director authorize a safekeeper to maintain Volunteer property based on PCM section 235.
22. That the country director ensure that only the safekeeper hold Volunteer property in safekeeping.
23. That the safekeeper give a receipt to Volunteers for property held for safekeeping.
24. That the post advise Volunteers of the \$750 liability limit for property held for safekeeping.
25. That the safekeeper maintain a log of all property kept for safekeeping that includes the date received, Volunteer name, value of the property, and description of the property.
26. That the post establish separation of duties by ensuring that different persons maintain the inventory records and conduct the physical inventory.
27. That the GSO update the post's inventory records after completing a full physical inventory of all property.
28. That the post develop and implement a systematic approach for maintaining an updated inventory record including a process to record property being moved from one location to another and retaining disposal documents.

29. That the IT specialist maintain the IT inventory separate from the furniture and equipment of the post.
30. That the GSO obtain custody receipts from all staff and Volunteers for property for which they are responsible.
31. That the GSO require Volunteers, staff and contractors to account for or return Peace Corps property before permanently departing post.
32. That the post obtain a legal opinion from the Office of the General Counsel to determine the appropriateness of converting the PASA vehicle to Peace Corps property and use.
33. That the GSO review the vehicle usage logs weekly and initial and date them when reviewed.
34. That the GSO submit authorized personal vehicle usage to the billing officer at least once a month for collection.
35. That the post make a collection for prior authorized personal use of Peace Corps vehicles.
36. That the post obtain approval from the Office of Acquisitions and Contract Management to pay their leases in methods other than quarterly payments or change their payment procedures to quarterly payments.
37. That the post include full descriptions including square footage in all leases.
38. That the post include provisions for increases in lease amounts in option periods.
39. That the post obtain a signature on the certificate of acceptance for the four leases.
40. That the country director obtain written authorization from the regional director for leasing a property with a swimming pool.
41. That the post use the standard lease agreement template provided by the Office of Acquisitions and Contract Management for leases or obtain their approval to use alternate forms.
42. That the post obtain leases for the Volunteer Leader house and transit house in Zinder and include the 30-90 day written notice requirement prior to termination.
43. That the post obtain approval from the Office of Acquisitions and Contract Management and the regional director to lease the Sonuci Studio property without a signed lease.

44. That the post work with the Office of Acquisitions and Contract Management to rectify execution of options for the two lease agreements and twenty-seven PSC option agreements that were signed without available option years.
45. That the country director request that the RSO complete security clearances for all staff and send the dated security clearances to the post to be filed in each staff person's contract file.
46. That the administrative officer obtain signed Intelligence Background Information Certification forms from all staff and include them in their contract file.
47. That the administrative officer and the country director complete Statements of Duties for all staff and file them in the staff person's respective file.
48. That staff responsible for performing annual evaluations, complete them annually, review them with the staff person evaluated, give one copy to the staff member, and place another copy in the staff person's file.
49. That the post not allow PSCs to evaluate other staff.
50. That the administrative officer update the PCMO's files to include their full contract and OMS's approval for their hiring.
51. That the post obtain contracting authorization for all contracts in excess of \$50,000 (including option years).
52. That the cardholder obtain authorization and obligate funds prior to using the purchase card.
53. That the post develops a written policy for compensation time.
54. That the timekeeper track compensation time.
55. That the timekeeper use form PC-57 to track all leave earned and taken, i.e., compensation time, vacation time, and sick leave.
56. That the administrative officer perform the bi-annual time and attendance audits as required by PCM section 742.
57. That the IT specialist obtain and maintain computer use forms signed by all staff and all Volunteers.

POST STAFFING

At the time of our visit, the post had 52 staff positions. The positions included three U.S. direct hire employees, three foreign service nationals (FSNs), and 46 PSCs.

We interviewed fifteen staff members. Several expressed concerns about budget restraints that they felt were effecting morale due to personnel cuts, a pay increase they said had been promised, and the inability to travel in the field due to lack of funding.

PC/Niger Positions

Position	Status
Country Director	USDH
Administrative Officer	USDH
APCD/Natural Resources Management (NRM)	USDH
APCD/Community and Health Education (CYE)	PSC
APCD/Agriculture (Ag)	PSC
APCD/Community Health (CH)	PSC
APCD/Programming and Training	FSN
Programming and Training Assistant/CYE	PSC
Programming and Training Assistant/NRM	PSC
Programming and Training Assistant/Ag	PSC
Programming and Training Assistant/CH	PSC
Training Manager	PSC
Language Coordinator	PSC
Site Manager	PSC
General Services Clerk	PSC
IRC Manager	PSC
Eastern Regional Coordinator	PSC
Secretary/Regional Office	PSC
Driver/Program Assistant/Regional Office	PSC
Peace Corps Medical Officer	PSC
Peace Corps Medical Officer	PSC
Medical Secretary	PSC
Lab Technician	PSC
Safety and Security Coordinator	PSC
Cashier	FSN
Administrative Assistant	FSN
Budget Assistant	PSC
IT Specialist	PSC
Admin. Secretary	PSC
GSO	PSC
CS/Receptionist	PSC
Chief Mechanic	PSC
Ass't. Mechanic	PSC
(7) Drivers	PSCs
(7) Janitors/gardeners/messengers (various locations)	PSCs
(5) Guards (various locations)	PSC

APPENDIX A

OBJECTIVE, SCOPE, AND METHODOLOGY

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

The audit of Peace Corps/Niger covered fiscal years 2005 and 2006. While at the post, we interviewed key staff: the country director, the administrative officer, staff responsible for administrative support, and one of the two medical officers. We also interviewed nine Volunteers to obtain their views on the effectiveness of the post's administrative and financial systems in supporting them, and we visited a selection of hostels that the post maintains. At the end of our review, we briefed the country director and administrative officer. At headquarters, we conducted a general briefing for regional staff.

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

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

AUDIT COMPLETION AND OIG CONTACT

AUDIT COMPLETION

The audit was performed by senior auditor Letty J. Collins.

OIG CONTACT

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

APPENDIX C

REGION'S RESPONSE TO THE PRELIMINARY REPORT



45th
Peace
Corps
Anniversary

1961-2006: a legacy of service at home and abroad

Date: July 5, 2007

To: David Kotz, Inspector General

From: Henry McKoy, Africa Regional Director *Henry McKoy*

CC: David Liner, Chief of Staff
John Dimos, Chief Compliance Officer
Mary Abrams, Country Director Niger
Lynn Foden, Africa Region Chief of Operations
Larry Blake, Africa Region Chief Administrative Officer
Niger Country Desk Unit

Subject: Africa Region's Response to the Inspector General's Preliminary Audit Report for Peace Corps/Niger

The Office of the Inspector General conducted an audit of Peace Corps/Niger in October – November of 2006. As outlined in the April 2007 report, senior auditor Letty Collins examined the Post's financial and administrative operations.

The Region and Peace Corps/Niger feel that the OIG audit was helpful and appreciate the efforts of Ms. Collins. Ms. Collins explained the mission of the OIG and kept the Peace Corps/Niger staff informed at each step in the process. Her professional courtesy allowed the staff to not only comply with the regulations, but learn from the process as well.

The Region fully concurs with all 57 recommendations provided by the OIG. A detailed explanation for how each recommendation will be responded to and implemented is given below. Peace Corps/Niger has already implemented many of the recommendations and is in the process of completing the rest.

Some of the changes instituted as a result of the audit include the:

- Development of Standard Operating Procedures for:
 - Over time authorization and compensation
 - Bills of Collection
 - Cashiering operations
- Establishment of a Volunteer board to manage Hostel fees and daily expenses.
- Expanded cashier hours to improve accessibility for Volunteers.
- Changing the sub-imprest fund from the Administrative Officer's control to that of the alternate cashier, the Administrative Assistant.

The Region and Post understand there is always room for improvement, and we all are appreciative of the insight and information provided by the Peace Corps Office of the Inspector General.

Recommendations and Responses

1. That the post immediately discontinue the practice of deducting fees from Volunteer allowances.

Response: Concur

Post discontinued the practice in December 2006 and established a new procedure after consultation between the Country Director, TDY Administrative Officer, and Volunteer Advisory Council (VAC). As a result of this meeting, a Volunteer Niamey Hostel Board was established. In December 2006, the Board developed a waiver for Volunteers to sign allowing Peace Corps/Niger to withhold a portion of their living allowance for Niamey Hostel fees which are deposited directly into a bank that the Niamey Hostel Board set up with BIA (the local bank). The direct fund transfer ensures that Peace Corps/Niger staff does not handle the funds for the Niamey hostel use. Peace Corps/Niger confirmed with the Chief Financial Officer's office that this was an acceptable practice on 22 December 2006. The quarterly deductions of 15,000 or 7,000 cfa, depending on Volunteers' proximity to Niamey, began in January 2007, and Volunteers who choose not to sign the waiver are assessed a nightly charge if they choose to stay at the Niamey Hostel.

Completion Date: Completed

2. That the post reconcile the funds deducted from the Volunteer allowances with expenditures incurred. Excess funds collected for hostel fees should be used for hostel expenses not covered by the post's operating expenses.

Response: Concur

The former Administrative Officer Lee Row reconciled the funds in November 2006 prior to her departure from post, and she turned the excess funds over to the past Cashier, Seth Fiawoyife. Mr. Fiawoyife then turned them over to the Niamey Hostel Board on January 5, 2007. The board members deposited the funds directly into the BIA account established for their use in covering hostel expenses.

Completion Date: Completed

3. That the post review the expenses of the Niamey hostel and develop a method for Volunteers to pay for their personal expenses.

Response: Concur

In December 2006 and January 2007, TDY Administrative Officer, Julian Denakpo, and Country Director, Mary Abrams, worked extensively with the new Niamey Hostel Board to develop a constitution, by laws and a fee structure for Volunteers that would provide sufficient funds to pay for the personal expenses at the hostel. The constitution and by laws were completed in June 2007 and distributed to all Volunteers in June 2007 via the VAC and the PCV Leaders.

Completion Date: Completed

4. That the post implement an MOA with the bank used to process Volunteer allowances in accordance with PCM section 221, attachment F.

Response: Concur

On April 20, 2007, Peace Corps/Niger signed a Memorandum of Agreement with BIA (the local bank that handles Volunteer accounts) to establish the proper process for the bank to handle Volunteer allowances according to PCM section 221, attachment F.

Completion Date: **Completed**

5. That the post conduct Volunteer living allowance surveys annually in accordance with PCM section 221.5.5.1.

Response: Concur

Peace Corps/Niger developed a living allowance survey in June 2007 and will send it to Volunteers in early July 2007. Volunteers will have until August 31, 2007, to return the survey to the Administrative Officer. Post will conduct these surveys on an annual basis as required in PCM 221.5.5.1.

Completion Date: **31 August 2007 and annually thereafter.**

6. That the post comply with agency policy to complete the Volunteer settling-in allowance survey within the prescribed period

Response: Concur

Peace Corps/Niger developed a new settling-in allowance survey in June 2007 that will be distributed to the next training class at the end of their PST in September 2007 and to all subsequent training classes. The newly sworn-in Volunteers will have three months from receiving their settling-in allowance to complete and return the survey to the Administrative Officer. Post will follow-up with Volunteers at their early in-service training which occurs about 8 weeks after the end of PST. This will allow post to get a very high response rate and finish the survey within the prescribed period.

Completion Date: **December 2007 and every 6 months thereafter.**

7. That the post include on the billing log the date collected, receipt number, and fiscal coding.

Response: Concur

In June 2007, Peace Corps/Niger redesigned its bill of collections process. The new standard operating procedure includes a new billing log kept by the billing officer, post's administrative secretary, that indicates the date collected, receipt number, and fiscal coding. Training on the new process is scheduled for staff involved with finance tasks in July 2007.

Completion Date: **July 15, 2007**

8. That the billing officer complete all follow-up billings and that they are in writing.

Response: Concur

In June 2007, Peace Corps/Niger redesigned its bill of collections process. The new standard operating procedure instituted a follow-up billing process with written follow-up billings. Staff and Volunteers were informed of the new procedures in June 2007, and training on the new process is scheduled for staff involved with finance tasks in July 2007.

Completion Date: **July 15, 2007**

9. That the billing officer be the only staff person to complete bills of collections.

Response: Concur

In June 2007, Peace Corps/Niger redesigned its bill of collections process. The new standard operating procedure clarifies that only the billing officer can complete bills of collections.

Completion Date: Completed

10. That the country director ensure that the combination lock on the imprest fund safe be changed annually or when there is a change of cashiers.

Response: Concur

The combination lock on the imprest fund was changed on June 22, 2007, by the Department of State Security Technical Team from Dakar, Senegal. The Country Director also required that the combination on the alternate cashier's imprest fund be changed on June 1, 2007. The Security Technical Team trained the alternate cashier to change the combination lock on June 22, 2007, so that she can train the new cashier when the recruitment is finished.

Completion Date: Completed

11. That the post provide the cashier with cash boxes large enough to hold all currency.

Response: Concur

On May 11, 2007, Peace Corps/Niger purchased two cash boxes large enough to hold all the currency – one for USD and one for LCU.

Completion Date: Completed

12. That the cashier maintain the imprest fund currency, USD and LCU, in separate locked cash boxes when the currency is not being handled.

Response: Concur

On May 11, 2007, Peace Corps/Niger purchased two cash boxes large enough to hold all the currency – one for USD and one for LCU. The alternate cashier was trained in early June 2007 on the regulations regarding the maintenance of USD and LCU currency. The new cashier will be trained once hired.

Completion Date: Completed

13. That the country director conduct an analysis of the cashier hours to determine if the cash cage needs to be open for longer hours to meet Volunteer and staff needs.

Response: Concur

In January 2007, the Country Director, with the help of the TDY Administrative Officer, conducted an informal analysis of the cashier hours and determined that the cash cage needed to be open more hours per week to meet Volunteer and staff needs. As part of the analysis the Country Director spoke with VAC members, Volunteers during their Close of Service exit interviews, other Country Directors, and several Peace Corps/Niger staff members in order to determine staff and Volunteer needs as well as practices in other countries. In February 2007, the cashier hours were expanded from 14 to 17 hours per week.

Completion Date: Completed

14. That the cashier establish an accommodation exchange log and record all accommodation exchange transactions.

Response: Concur

In January 2007, Peace Corps/Niger instituted an accommodation exchange log using the automated system in ForPost where all accommodation exchange transactions are recorded. Post reconfirmed the integrity of the system in June 2007.

Completion Date: Completed

15. That the cashier develop a system to ensure that interim advances are not issued if an employee has one outstanding.

Response: Concur

In July 2007, Peace Corps/Niger wrote a new cashiering standard operating procedure. The new cashiering standard operating procedure restricts any given employee to one outstanding interim advance at a time. The new system will be fully implemented and staff informed of the new procedures by the beginning of August 2007. Additionally, the Africa Region is working with the CFO's office to develop a training program for all cashiers.

Completion Date: August 2007

16. That the cashier clears all outstanding interim advances over five days old.

Response: Concur

Peace Corps/Niger will clear all outstanding interim advances over five days old. As of the end June 2007, only one remained. Peace Corps/Niger will work with the staff member to promptly clear that outstanding advance.

Completion Date: July 2007

17. That the post discontinue providing advances (loans) to staff that are based on local law until written approval is received.

Response: Concur

Peace Corps/Niger has discontinued providing advances (loans) to staff in December 2006. This is documented in the new cashiering procedures developed in July 2007. Post's alternate cashier and sub-cashiers will be officially trained on the new procedures by August 2007.

Completion Date: Completed

18. That the cashier close out the alternate cashier's advance report the overage identified during the imprest fund audit verification, and deposit the overage into the Treasury Miscellaneous Receipt Account 11-1060.

Response: Concur

The former alternate cashier verbally informed the Country Director that she returned her overage to the cashier in November 2006. No receipt was given to the Country Director. It is assumed that the cashier stole the funds as no deposit record exists.

Finding this information is further complicated by the evidence of inappropriate transactions on the part of the previous cashier (the person who received the advance from the alternate cashier) and therefore makes it difficult to confirm whether an overage existed at the time of the transfer from the previous alternate cashier to the previous cashier.

Completion Date: Completed

19. That the post establish an accounting system and convey Peace Corps policy for the security, accountability, allowability, and monitoring of maintained funds to the sub-cashiers.

Response: Concur

Peace Corps/Niger wrote a new cashiering standard operating procedure in June 2007. Peace Corps/Niger is in the process of writing a standard operating procedure for the sub-cashiers and alternate cashiers, based on the new standard operating procedure just completed for the cashier. This sub-cashier operating procedure will be finished by 15 July 2007. The new procedure will be distributed to the sub-cashiers and they will receive training on it by 31 August 2007.

Completion Date: August 31, 2007

20. That the cashier train each sub-cashier and that the training include: how to use the accounting system, how to identify improper payments, the method in which to ensure the security of the funds.

Response: Concur

Peace Corps/Niger began training new sub-cashiers individually and as a group in February 2007. Sub-cashiers will be trained by the cashier or cashier designate, as was the case in June 2007 when the Administrative Officer facilitated the training due to post's lack of a cashier at that time. The training takes place annually or when a new sub-cashier is designated. All sub-cashiers are required to participate in all trainings, even if they have previously attended.

Completion Date: Completed and annually in the future

21. That the country director authorize a safe keeper to maintain Volunteer property based on PCM section 235.

Response: Concur

In January 2007, the Country Director designated the executive secretary as the only authorized safe keeper to maintain Volunteer property in accordance with PCM section 235. All staff and Volunteers were informed of the procedures in January 2007.

Completion Date: Completed

22. That the country director ensure that only the safe keeper hold Volunteer property in safekeeping.

Response: Concur

In January 2007, the Country Director designated the executive secretary as the only authorized safe keeper to maintain Volunteer property.

Completion Date: Completed

23. That the safe keeper give a receipt to Volunteers for property held for safekeeping.

Response: Concur

Region agrees with the need to give receipts to the Volunteers. Peace Corps/Niger will establish a system for issuing receipts, training the safe keeper and inform Volunteers of the new system by the end of July 2007.

Completion Date: July 31, 2007

24. That the post advise Volunteers of the \$750 liability limit for property held for safekeeping.

Response: Concur

In June 2007, the Country Director re-authorized the executive secretary to be the only safe keeper of Volunteer property and added the stipulation that PC/Niger's liability limit for this property is \$750. The information was sent to all staff and Volunteers in June 2007 and has also been added to the next version of the PC/Niger Volunteer Handbook which will be distributed in September 2007.

Completion Date: Completed

25. That the safe keeper maintain a log of all property kept for safekeeping that includes the date received, Volunteer name, value of the property, and description of the property.

Response: Concur

The safe keeper began maintaining a log of all property kept for safekeeping in January 2007. The log includes the Volunteer's name, the dates of deposit and withdrawal, a description of the property, and its value. Both the Volunteer and the Peace Corps/Niger safe keeper must sign whenever something is deposited or removed and all information is in ink so it cannot be altered.

Completion Date: Completed

26. That the post establish separation of duties by ensuring that different persons maintain the inventory records and conduct the physical inventory.

Response: Concur

Peace Corps/Niger has identified two different staff members for these tasks. Beginning June 2007, the General Services Assistant (GSA) will maintain physical property inventory records. The post receptionist will conduct the physical inventory of PC property. The overall post inventory will be finished by August 2007.

Completion Date: August 2007

27. That the GSO update the post's inventory records after completing a full physical inventory of all property.

Response: Concur

Following the physical inventory, Peace Corps/Niger's GSA will update the inventory records to reflect the information from the inventory.

Completion Date: August 31, 2007

28. That the post develop and implement a systematic approach for maintaining an updated inventory record including a process to record property being moved from one location to another and retaining disposal documents.

Response: Concur

Peace Corps/Niger will review and update their inventory system and property management system by August 31, 2007. As part of this process, post intends to develop a functioning inventory database that

will be systematically updated by the GSA whenever property is purchased, moved, or disposed. Peace Corps/Niger will also consult the CIO's office as they develop the new agency property management system, PropMan II.

Completion Date: September 30, 2007

29. That the IT specialist maintain the IT inventory separate from the furniture and equipment of the post.

Response: Concur

In April 2007 Peace Corps/Niger's IT specialist started to maintain the IT inventory separate from the furniture and equipment inventory of the post.

Completion Date: Completed

30. That the GSO obtain custody receipts from all staff and Volunteers for property for which they are responsible.

Response: Concur

Peace Corps/Niger will review and update their inventory and property management systems in August 2007. As part of this process, the GSA will obtain and maintain custody receipts from all staff and Volunteers who are responsible for PC/Niger property.

Completion Date: August 2007

31. That the GSO require Volunteers, staff and contractors to account for or return Peace Corps property before permanently departing post.

Response: Concur

Peace Corps/Niger will review and update their inventory and property management systems in August 2007. As part of this process, all Volunteers, staff and contractors will be required to account for or return Peace Corps property to the GSA before permanently departing post.

Completion Date: August 2007

32. That the post obtain a legal opinion from the Office of the General Counsel to determine the appropriateness of converting the PASA vehicle to Peace Corps property and use.

Response: Concur

The Region has consulted with General Counsel regarding the appropriateness of converting the PASA vehicle to Peace Corps property and use. The Region will follow the advice provided by General Counsel.

Completion Date: September 30, 2007

33. That the GSO review the vehicle usage logs weekly and initial and date them when reviewed.

Response: Concur

Peace Corps/Niger will review and analyze its vehicle usage policy. Post will complete the analysis and issue a final policy in August 2007. As part of this policy, vehicle use logs are to be reviewed weekly by the chief mechanic and monthly by the Administrative Officer. They will be checking to ensure billings for

personal use get forwarded to the billing officer and also to improve the link between budgeted and actual gas use.

Completion Date: August 31, 2007

34. That the GSO submit authorized personal vehicle usage to the billing officer at least once a month for collection.

Response: Concur

Peace Corps/Niger will review and analyze its vehicle usage policy. Post will complete the analysis and issue a final policy in August 2007. As part of this policy, the chief mechanic is responsible for submitting authorized personal vehicle use bills to the billing officer at least monthly.

Completion Date: August 2007

35. That the post make a collection for prior authorized personal use of Peace Corps vehicles.

Response: Concur

Peace Corps/Niger will use past vehicle logs to recreate, to the best of its ability, personal use of Peace Corps vehicles. Post will bill the appropriate staff (including the APCD NRM and the CD) for such use.

Completion Date: August 2007

36. That the post obtain approval from the Office of Acquisitions and Contract Management to pay their leases in methods other than quarterly payments or change their payment procedures to quarterly payments.

Response: Concur

The Administrative Officer contacted the Deputy for Contracts in the Office of Acquisitions and Contract Management in June 2007 and received written confirmation that, due to the local customs at post, it was acceptable for contracts to be paid in time periods other than quarterly payments, up to and including annual payments.

Completion Date: Completed

37. That the post include full descriptions including square footage in all leases.

Response: Concur

Peace Corps/Niger will now include full descriptions including square footage in all leases. This practice has been in place since June 2007. Post does have a spreadsheet with all the details of the leased properties and the information for each lease is in its respective file.

Completion Date: Completed

38. That the post include provisions for increases in lease amounts in option periods.

Response: Concur

Peace Corps/Niger now includes provisions on increases during option periods as all new leases are let and current leases are renewed. This practice has been in place since July 2007 since post modified the lease for the Country Director's residence.

Completion Date: Completed

39. That the post obtain a signature on the certificate of acceptance for the four leases.

Response: Concur

In January 2007, Peace Corps/Niger has obtained signed certificates of acceptance for the four leases.

Completion Date: Completed

40. That the country director obtain written authorization from the regional director for leasing a property with a swimming pool.

Response: Concur

The Country Director received written authorization from the regional director for leasing a property with a swimming pool on November 22, 2006.

Completion Date: Completed

41. That the post use the standard lease agreement template provided by the Office of Acquisitions and Contract Management for leases or obtain their approval to use alternate forms.

Response: Concur

Peace Corps/Niger will use the standard lease agreement template from the Office of Acquisitions and Contract Management as new leases are let and current leases are renewed. This practice has been in place since January 2007 when post issued a lease for the Country Director's residence.

Completion Date: Completed

42. That the post obtain leases for the Volunteer Leader house and transit house in Zinder and include the 30-90 day written notice requirement prior to termination.

Response: Concur

Peace Corps/Niger has a signed lease (dated 17 November 2002) for the Volunteer Leader house and transit house that includes (clause 6) the 30-90 day written notice requirement prior to termination. These leases still need a new base lease rather than options (see Recommendation #44). Post will sign new leases by 31 August 2007 for these properties and include the 30-90 day written notice requirement prior to termination.

Completion Date: August 31, 2007

43. That the post obtain approval from the Office of Acquisitions and Contract management and the regional director to lease the Sonuci Studio property without a signed lease.

Response: Concur

Post ceased renting the Sonuci Studio property apartment in May 2007.

Completion Date: Completed

44. That the post work with the Office of Acquisitions and Contract Management to rectify execution of options for the two lease agreements and twenty-seven PSC option agreements that were signed without available option years.

Response: Concur

Post rectified the execution of options for 23 of the 27 PSC agreements by writing new contracts for the affected staff members in January 2007 based on instructions of the Office of Acquisitions and Contract Management in late November 2006.

Post will rewrite the remaining 4 PSC contracts and the two lease agreements by August 31, 2007.

Completion Date: August 31, 2007

45. That the country director request that the RSO complete security clearances for all staff and send the dated security clearances to the post to be filed in each staff person's contract file.

Response: Concur

Post has filed all security clearances for staff in their personnel files, however a number of them remain undated due to receiving them undated from the RSO files. In November 2006 and again in June 2007, the Country Director requested that the RSO complete the security clearances, with the appropriate dates, and return the dated clearances to post. After the remaining dated clearances are received, post will file a copy in each person's contract file.

Completion Date: September 2007

46. That the administrative officer obtain signed Intelligence Background Information Certification forms from all staff and include them in their contract file.

Response: Concur

The Administrative Officer has obtained signed Intelligence Background Information Certification forms from all staff in June 2007 and these forms are included in the staff members' contract files.

Completion Date: Completed

47. That the administrative officer and the country director complete Statements of Duties for all staff and file them in the staff person's respective file.

Response: Concur

The Administrative Officer and the Country Director are compiling Statements of Work for all staff. They will be complete in July 2007, and then will be filed in each staff member's contract file. In addition, post expects an Internal Management Assessment Team to visit in August 2007 and assist post with several management issues which may require changes in some Statements of Work. Given this, post plans to review the scopes of work for all staff in after assessment team's visit and will revise the SOWs as necessary.

Completion Date: October 31, 2007

48. That the staff responsible for performing annual evaluations, complete them annually, review them with the staff person evaluated, give one copy to the staff member, and place another copy in the staff person's file.

Response: Concur

The staff responsible for performing evaluations completed evaluations for each staff person under their supervision during June 2006 to January 2007. The reviews were completed on 31 January 2007. A new system has been established to ensure that the evaluations are conducted on an annual basis, and a copy of the review is given to the staff person and the original is placed in the person's contract file. Staff supervisors and some administrative staff were trained in June 2007 (through a class offered by the US Embassy) on supervision techniques.

Completion Date: Completed and annually in the future.

49. That the post not allow PSCs to evaluate other staff.

Response: Concur

Beginning in January 2007, PSCs no longer evaluate other staff. Due to the limited number of FSN and USDH positions at post, PSCs may, on occasion, monitor another staff member's work. In those instances, input will be solicited from PSCs when the formal evaluation is conducted by an FSN or USDH. In addition, post expects an Internal Management Assessment Team to visit in August 2007 to assist with several management issues including a review of post's organizational structure and how, given the restrictions on PSCs supervisory roles, post can best supervise the work of all PSCs.

Completion Date: Completed

50. That the administrative officer update the PCMO's files to include their full contract and OMS's approval for their hiring.

Response: Concur

Peace Corps/Niger updated the PCMOs' files in June 2007 to include their full contract and the OMS approval for their hiring.

Completion Date: Completed

51. That the post obtain contracting authorization for all contracts in excess of \$50,000 (including option years).

Response: Concur

The contracting ceiling for posts was increased to \$100,000 with the PCM section 114 revision on 15 May 2007. Peace Corps/Niger currently has no contracts over this ceiling and will maintain this practice for future contracts. Post confirmed with Volunteer Financial Services in July 2005 that post does not need to do a retroactive Delegation of Authority for the contracts that did not have one for the old \$50,000 limit.

Completion Date: Completed

52. That the cardholder obtain authorization and obligate funds prior to using the purchase card.

Response: Concur

In July 2007, Peace Corps/Niger established new standard operating procedures for administrative processes related to the proper use of the purchase card at post. The Administrative Officer, as the cardholder, will be required to obtain authorization and obligate funds prior to using the purchase card.

Completion Date: Completed

53. That the post develops a written policy for compensation time.

Response: Concur

Peace Corps/Niger will develop and implement a written policy for overtime (which includes compensation time) in August 2007. Staff will be trained on the new policy in August 2007 as well.

Completion Date: August 2007

54. That the timekeeper track compensation time.

Response: Concur

Peace Corps/Niger's new overtime policy, which will be developed in August 2007, will specify that the timekeeper track compensation time.

Completion Date: August 2007

55. That the timekeeper use form PC-57 to track all leave earned and taken, i.e. compensation time, vacation time, and sick leave.

Response: Concur

The timekeeper will use form PC-57 to track all leave for all staff starting in August 2007.

Completion Date: August 2007

56. That the administrative officer perform the bi-annual time and attendance audits as required by PCM section 742.

Response: Concur

In July 2007 Peace Corps/Niger will establish new standard operating procedures for administrative processes. Included in these is a requirement for the bi-annual time and attendance audits required by PCM section 742. The Administrative Officer will conduct the next audit by 31 July 2007.

Completion Date: August 2007

57. That the IT specialist obtain and maintain computer use forms signed by all staff and all Volunteers.

Response: Concur

Since January 2007, the IT specialist has obtained signed forms from all staff and has almost completed gathering those for the Volunteers. He anticipates he will have all the signed forms by the end of August (some of the Volunteers will not be in from their sites until early August). He will maintain computer use forms signed by all staff and all Volunteers.

Completion Date: August 31, 2007

APPENDIX D

OIG COMMENTS

The region concurred with all 57 recommendations. We closed recommendation nos. 3, 4, 9 - 14, 17, 20 - 22, 24 - 26, 29, 36 - 41, 43, 46, 48 - 52, and 55. Recommendation nos. 1, 2, 5 - 8, 15, 16, 18, 19, 23, 27, 28, 30 - 35, 42, 44, 45, 47, 53, 54, 56, and 57 remain open pending confirmation from the chief compliance officer that the following has been received:

- For recommendation no. 1, documentation that the post has closed the present account and has opened an account with a name that does not include “Peace Corps,” a copy of the accounting procedures the Volunteers are using to account for the funds, and a copy of the accounting procedures that the post is using to ensure that the amounts deducted from Volunteer allowances are being deposited into the hostel account.

We note that the bank account was opened using the Peace Corps name as part of the account name. This is not allowed pursuant to OFMH¹ section 7.1, which provides, “Peace Corps posts are not authorized to establish bank accounts overseas without the authorization of the Department of State and/or Treasury Department.”

- For recommendation no. 2, documentation that clearly reflects the 55,445 CFA expenditures for miscellaneous hostel expenses and a copy of the receipt from the bank for the 500,000 CFA deposited.
- For recommendation no. 5, a copy of the cover letter for the living allowance survey sent to the Volunteers.
- For recommendation no. 6, a copy of the cover letter for the settling-in allowance survey sent to the Volunteers.
- For recommendation no. 7, a copy of the billing log.

It should be noted that we informed the post about deficiencies in the billing process during the audit. We had a discussion with the billing officer and collection officer on November 3, 2006 regarding the administration of bills of collection and the importance of the separation of duties, and we discussed the same with the country director and the administrative officer on November 10, 2006. A copy of the out-briefing with the deficiencies identified during the audit was given to the country director and the administrative officer as well as the temporary duty administrative officer shortly after his arrival at post. In our opinion, had the post taken action to correct the problems identified in the post’s billings and collections procedures, some of the losses in the imprest fund would have been prevented.

¹ Edition issued January 9, 2007.

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- For recommendation no. 8, a copy of the billing training provided to staff.

This process was also clearly reviewed with the billing officer and collection officer during the audit on November 3, 2006, and was explained at the out-briefing with the country director and administrative officer on November 10, 2006. A copy of the out-briefing was given to the country director and the administrative officer as well as the temporary duty administrative officer shortly after his arrival at post. If this process had been implemented per Peace Corps policy and OIG advice, some of the loss from the alleged theft by the cashier would have been prevented.

- For recommendation no. 15, a copy of the interim advance training provided to staff.

This process was clearly reviewed with the cashier during the audit on November 6, 2006, and was explained at the out-briefing with the country director and the administrative officer on November 10, 2006. A copy of the out-briefing was given to the country director and the administrative officer as well as the temporary duty administrative officer shortly after his arrival at post. If this process had been implemented per Peace Corps policy and OIG advice, some of the loss from the alleged theft by the cashier could have been prevented.

- For recommendation no. 16, a copy of the 365 that shows that all old outstanding interim advances have been cleared.
- For recommendation no. 18, a copy of either a signed receipt from the former administrative officer for the funds she transferred to the cashier prior to her departing post, or a copy of the bill of collection sent to the former administrative officer, and if collected, a copy of the receipt from the collection of the funds from the close-out of the alternate cashier's advance.

If the administrative officer cannot provide a signed receipt, there is no proof that the funds were transferred to the cashier. If this is the case, the post will need to prepare a bill of collection to the former administrative officer and make a collection.

- For recommendation no. 19, a copy of the new cashiering standard operating procedures written for the sub-cashiers and alternate cashiers.
- For recommendation no. 23, a copy of a signed receipt and any documentation that the Volunteers have been advised of the process to hold their property for safekeeping.

The post should have implemented this process based on our out-briefing of November 10, 2006. It is another area that was vulnerable to misuse.

- For recommendation no. 27, a copy of the completed physical inventory.

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- For recommendation no. 28, a written statement from the administrative officer or the country director stating that the inventory records have been updated and a system established.
- For recommendation nos. 30 and 31, a copy of custody receipts from all staff and Volunteers for property for which they are responsible.
- For recommendation no. 32, a copy of the legal opinion from the Office of the General Counsel.
- For recommendation no. 33, a copy of a selection of vehicle logs from one month documenting that they have been reviewed weekly.
- For recommendation no. 34, a copy of the post's vehicle usage policy.
- For recommendation no. 35, documentation of Bills of Collection and Receipts of Collection for authorized personal use of vehicles.
- For recommendation no. 42, a copy of the signed leases.
- For recommendation no. 44, a copy of the two signed leases and the four signed personal services contracts that were still outstanding when the response from the region was sent to our office.
- For recommendation no. 45, documentation confirming that the post has received dated security clearances for all staff.
- For recommendation no. 47, documentation that all Statements of Work have been updated or written and filed in the staff persons file.
- For recommendation no. 53, a copy of the written policy for overtime.
- For recommendation no. 54, documentation showing that the timekeeper is tracking the staff's earnings and use of compensation time.
- For recommendation no. 56, a copy of the audited time and attendance for 10% of the staff.
- For recommendation no. 57, documentation that the administrative officer has reviewed all the computer use forms and verified that they have all been signed and received by the IT specialist.

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

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