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Emily Haimowitz, Chief Compliance and Risk Officer

From: Joaquin Ferrao, Inspector General

Date: August 22, 2025

Subject: Management Implication Report: Recommendations Issued to the Peace Corps

Joaquin Tenas

Regarding Human Capital Management (IG-25-04-SR)

Since fiscal year (FY) 2017, the Peace Corps Office of Inspector General's (OIG) top management and performance challenges (TMPC) ¹ reports have consistently identified human capital management as a challenge for the Peace Corps. Specifically, the FYs 2023 and 2024 TMPC reports focused on adequate staffing as a fundamental component for effective organizational performance. The TMPCs also highlighted that hiring and retaining qualified staff is critical for supporting the recruitment, placement, health, and security of Peace Corps Volunteers.

The Peace Corps has undergone a variety of internal and external reviews that have identified human capital-related issues and recommendations. To help the agency address this top management challenge, OIG conducted a review of recent human capital-related recommendations made to the agency and their corresponding reported statuses.² The scope of this review focused on reports that had been issued by various Federal agencies and offices—including OIG—to the Peace Corps Office of Human Resources (OHR) over the last 5 years; between 2019 through 2024. This review was conducted in accordance with OIG Directive 2020-03, Revision to Reporting Procedures for Management Implication Reports and Management Advisory Reports.

The goal of this review was to help the Peace Corps leverage existing reviews and recommendations in determining where and how to direct its resources to better address its overarching human capital management challenge.

This report provides a status snapshot of the recommendations made to OHR from 2019 through 2023,³ as reported by OHR. OIG provided a detailed list of the recommendations and their status to the agency for its reference and use. The review did not independently assess the closure

¹ In accordance with the Reports Consolidation Act of 2000, Peace Corps OIG annually reports on the agency's top management and performance challenges.

Not all recommendations were made by OIG, and accordingly, not all have required follow-up actions associated with them.

³ The OIG did not identify any human capital-related recommendations made to OHR in 2024.

status of the recommendations, the quality of the non-OIG recommendations, or whether the implemented recommendations realized their intended effect.

OIG will continue to focus its oversight on human capital management through ongoing related reviews.

cc: Kathryn Wallace, Acting General Counsel Julie Nelson, Compliance Officer Audit Liaison

OBJECTIVE: TO DETERMINE THE STATUS OF HUMAN CAPITAL-RELATED RECOMMENDATIONS FROM REPORTS ISSUED FROM 2019 THROUGH 2024

WHAT OIG FOUND

OIG identified four reports that had been issued to Peace Corps OHR from 2019 through 2024 and involved human capital management. The four reports included:

1. <u>Peace Corps Strategic Human Resources Solutions Findings and Results</u> (December 2019)

A review conducted by the U.S. Office of Personnel Management's (OPM) Human Resources Solutions Division and was used to assist the Peace Corps in meeting its organizational and workforce needs. OPM worked with OHR to conduct a strategic review of its organizational performance, design, and position management.

2. <u>Peace Corps' Management of Payroll and Benefits for U.S. Direct Hires (November 2022)</u>

A Peace Corps OIG audit that focused on the processes and procedures performed by the Offices of Staffing and Classification; Payroll and Benefits; and Employee and Labor Relations.

3. FY 2022 Human Capital Framework Evaluation Report (May 2023)

An evaluation conducted by the Peace Corps OHR Quality Control and Compliance Division that assessed OHR's strategic management of human capital, the efficiency and effectiveness of its human resources (HR) programs, and compliance with merit systems principles and other civil service laws and regulations.

4. HR Systems Analysis Findings and Recommendations (May 2023)

An analysis conducted by the Peace Corps Office of the Chief Information Officer (OCIO) that reviewed the Peace Corps' current HR processes and tools across various service providers and lines of business and documented their pain points.

OIG identified 185 recommendations in these four reports, of which, OIG determined 174 were human capital-related recommendations. OIG worked with OHR and confirmed the reported status of the 174 recommendations:

- 96 recommendations (55 percent) have been addressed,
- 49 recommendations (28 percent) are partially addressed,
- 23 recommendations (13 percent) are **not addressed**, and
- 6 recommendations (3 percent) are **obsolete**.

OIG provided the Peace Corps with a detailed list of the 174 human capital-related recommendations and their status for the agency's reference and use. The following definitions

apply to the "Recommendations Status" types⁴ in Figure 1 below and in the detailed list provided to the agency:

- Addressed Recommendation has been completed/implemented according to OHR and could have an on-going component
- Partially Addressed Recommendation has been considered according to OHR, and the office reports that it is working on the plan to implement/complete the recommendation
- Not Addressed Recommendation has not been completed according to OHR, and the
 office reports that either no plan has been developed, or no remediated efforts have been
 taken
- Obsolete Recommendation is outdated or irrelevant according to OHR due to changes in Federal law, policies/systems/practices
- Not applicable Recommendation is not related to OHR human capital management or HR Information Technology systems, according to OHR

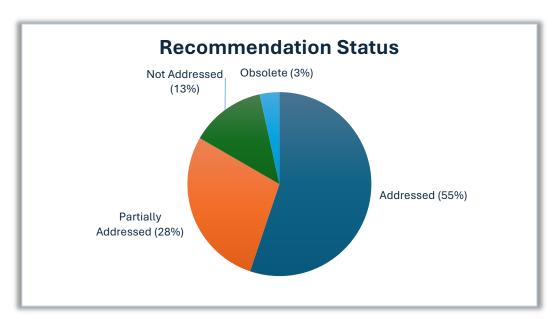


Figure 1: Status of the 174 human capital-related recommendations from the four reports reviewed

Of the 72 recommendations that OHR reported as having an open⁵ status,

- 38 were related to human capital management,
- 10 were related to human capital information technology systems, and
- 24 were related to other HR functions.

⁴ OHR has determined that some recommendations are no longer applicable to OHR or the agency based on Executive orders that were issued after the recommendations' publication, as well as other changes to policies and laws that may make the recommendations "obsolete." Additionally, some of the recommendations that have been labeled as "addressed" may need to be revisited due to shifting priorities and issued Executive orders.

⁵ "Open" recommendations have a status of either "partially addressed" (49 recommendations) or "not addressed" (23 recommendations).

PEACE CORPS OFFICE OF INSPECTOR GENERAL

NEXT STEPS

As the Peace Corps considers how to best address its human capital management challenges, while also complying with related Executive orders and guidance, the agency can use the information provided in this review to help prioritize its efforts. OIG will consider these recommendations and the status of their implementation when planning for further oversight of human capital management in FY 2026 and beyond.

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