
EXECUTIVE SUMMARY

BACKGROUND

The Office of Inspector General (OIG) conducted an audit of Peace Corps/Ghana (hereafter referred to as “the post”) from July 15 to August 2, 2019.

Staff:

U.S. direct hires (USDHs): 3

Foreign service nationals (FSNs): 3

Personal services contractors (PSCs): 44

Spending (approximate):

Fiscal Year (FY) 2018 post spending: \$4.79 million

Average regional overhead¹: \$530,291



Figure 1: Map of Ghana.

WHAT WE FOUND

The post’s financial and administrative operations required improvement to comply with agency policies and applicable Federal laws and regulations. Specifically, the post:

- Lacked adequate controls over imprest operations;
- Lacked a system to calculate allowances of Volunteers who terminated their service early and therefore failed to consistently collect overpayments of living allowances;
- Failed to maintain an adequate inventory of accountable assets;
- Did not properly record property sales;
- Lacked management oversight over authorization of financial management transactions;
- Lacked management oversight over fuel purchases;
- Engaged in unauthorized procurement activities;
- Provided unauthorized access to staff in their financial management’s systems;
- Did not properly claim value added tax refunds;
- Failed to conduct security contract certifications in a timely manner;
- Failed to secure the server room and backups;
- Misunderstood the medical inventory accountability process and requirements; and
- Misunderstood the bills of collection process and requirements.

¹ The agency does not determine a total cost per post beyond directly attributable post expenses, as certain costs are centrally budgeted and managed by headquarters offices including the salaries and benefits of U.S. direct hires. The Peace Corps Office of Budget and Analysis provided the total cost of approximately \$13 million incurred by the Africa region in direct support of its 25 overseas posts in FY 2018, which is an average of \$530,291 per post.

RECOMMENDATIONS IN BRIEF

Our report contains 52 recommendations directed to the post and headquarters. Our report recommends:

- Strengthening controls over managing imprest funds, Volunteer payments, property accountability, grants management, security certifications, financial management system access, and bill of collections;
- Ensuring the accurate recording of vehicle data;
- Ensuring that system data is properly safeguarded;
- Ensuring that fuel consumption is adequately monitored;
- Ensuring that VAT refunds are claimed;
- Ensuring that purchases are adequately authorized; and
- Ensuring that contracts are adequately executed.

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BACKGROUND

OIG conducted the audit of Peace Corps/Ghana from July 15 through August 2, 2019. We previously performed an audit of the post and issued our report (IG-05-03-A) in 2005.

The Peace Corps first established a program in Ghana in 1961. More than 4,400 Volunteers have served in Ghana since the post was first established. At the time of our audit, 128 Volunteers were working in the agriculture, education, and health sectors. The post had 3 USDHs, 3 FSNs and 44 full-time PSCs. In FY 2018, the post's spending was approximately \$4.79 Million.

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

AUDIT RESULTS

IMPREST

The Overall Cashiering Operation Control Environment

Our review of the cashiering operations at the post disclosed multiple instances of non-compliance with the Overseas Financial Management Handbook (OFMH) 13, "Cashiering and Imprest Management," and Department of State cashier user guide (CUG) requirements. Specifically, the post did not always follow the requirements in the management of interim advances. Additionally, there were critical issues in the transfer of cash to the alternate cashier and sub-cashiering operations.

The principal cashier was found to be primarily responsible for the issues found. The principal cashier is personally responsible and accountable for managing and safeguarding the imprest fund. At the time of fieldwork, the director of management and operations (DMO) was already aware of the situation, and efforts to rectify it were underway.

Ultimately, post management is responsible for maintaining an effective control environment at the post. However, we determined that the previous DMO and the country director (CD) were not always sufficiently involved in the cash operations. The lack of oversight contributed to the ongoing issues detailed in this report and caused the CD to request headquarters to limit the cash operations at the post from \$40,000 to \$30,000 starting in May 2019. The current DMO noted some of the issues described throughout this section prior to our arrival and planned to increase the monitoring of the principal cashier activities.

The post needed to improve its management of interim advances.

The post did not regularly liquidate interim advances in a timely manner.

OFMH 13.18.1 states in part:

It is the responsibility of the cashier to monitor the clearance of interim advances and to notify the DMO if advances are not cleared within 3 days for direct follow-up action.

We found 256 advances totaling approximately \$138,867 USDE that were open between 6 and 33 days. According to the DMO, cash advances were the main method of procurement before new policies at the post were implemented in January 2019. The DMO added that these advances were mostly used for site visits that usually took longer than a week, and that there were also delays related to posting the liquidations into the system. We examined a sample of 25 advances and found that only 3 were related to site visits. The rest of the sample was related to the purchase of supplies and services for the post.

The DMO reported that she approved the invoices to clear the interim advances in a timely manner, but the cashier took time to clear the advances in the system. The principal cashier added that the advances took longer to clear because the DMO found some of the invoices insufficient for payment.

Clearing interim advances in a timely manner ensures a prompt return of unused funds and the prompt replenishment of cash resources.

The post did not maintain records of liquidated interim advances.

OFMH 13.18.1 requires that recipients of interim advances must provide valid receipts and the remaining cash, if any, in order to clear their advances. Additionally, Peace Corps Manual Section (MS) 892 requires that imprest records are maintained at the post for a year after cutoff date², and by OCFO for 6 years after cutoff date. The post was not able to provide support for the liquidation of four interim advances totaling approximately \$3,857 USDE. The post did not provide any invoices documenting the purchases made with these advances, nor could the post determine if these advances were returned as unused cash. The purposes of these unsupported advances were for repairs at the USDH house, Volunteer houses, honorarium for trainers, and utility payments.

Adequate records of interim advance liquidations are necessary to support that advances were issued for purchases that supported the post's mission, and valid invoices were received from these vendors.

Post staff obtained advances without occasional money holder (OMH) designation.

Staff who receive interim advances are acting as OMHs, and should be designated as such in accordance with OFMH 13.18.1, which requires that a memo listing the OMHs at the post and signed by the DMO be held with the cashier's files. Five staff members at the post received

² The cutoff date is at the end of the fiscal year that the transaction was created.

interim advances without OMH designation. The principal cashier maintained in the cashier's file a memorandum signed by the DMO who left the post in 2014. The post's DMO from 2014 to 2018 did not update the memorandum.

In May 2018, the current DMO updated the PSCs' contract statements of work to include the OMH narrative. The current DMO believed that the OMH designation in the contracts showed that the staff were authorized to receive advances. However, one of the financial management officers (FMO) at headquarters stated that a memorandum signed by the DMO is also a requirement, reaffirming OFMH 13.18.1.

Following procedures for OMH designation allows post to have better control of its cash resources. This designation ensures that the staff understand their responsibilities as cash holders.

The post had outstanding interim advances that were not signed by the recipients.

OFMH 13.18.1 requires that the cashier maintain outstanding interim advances with the recipients' signatures as part of the cashier's files. As part of our fieldwork, we conducted an unannounced cash count on July 16, 2019. During the cash count, we performed a reconciliation of the outstanding advances shown in the 365 report³ with interim advance physical forms. Of the seven outstanding advances, we noted that two (totaling approximately \$4,829 USDE) did not have the recipients' signatures.

An explanation was not provided for the missing signatures. The principal cashier stated that this was an oversight, and that the norm is to obtain the signatures from the recipients. Without obtaining recipients' signatures, the post put its cash resources at risk. If this cash were stolen or went missing, it may be very difficult for post to hold staff accountable for the missing cash.

We recommend:

- 1. That the director of management and operations implement a process to ensure that interim advances are liquidated within 3 days, that the process follows requirements in OFMH 13, and that records are kept for these advances as required in MS 892.**
- 2. That the director of management and operations prepare an occasional money holder memorandum that includes the staff authorized as occasional money holder, and that it is maintained in the cashier's files, and updated as needed.**
- 3. That the director of management and operations ensure that post's cashier, alternate cashiers, and sub-cashiers understand their record keeping responsibilities for outstanding interim advances.**

³ The 365 report is the cashier reconciliation report showing the total imprest accountability.

The post's cash movement policy is outdated and is missing required elements.

OFMH 13.6 requires that the post review the cash movement policy annually, and if changes are made, then regional security officer (RSO) approval is needed. The cash movement policy we found in the cashier's file was from 2008. When we asked the cashier about the annual revision, the cashier showed us a draft⁴ prepared by the current DMO.

We noted that there were no changes between the 2008 policy on file and the 2019 draft policy, and both documents were missing the following OFMH 13.6 requirements:

- The goal of reducing the frequency and amounts of cash being transported, where possible.
- Notice to the cashier that private vehicles should not be used to transport cash.
- Notice that the cashier should not be expected to transport cash if the RSO has determined that harm or robbery to the cashier may occur.

The cashier was unaware of both the requirement to review the policy annually and all the elements that must be part of this policy.

The cash movement policy is a critical internal control document that lists the post's practices on how cash funds must be safeguarded and protected. Without this document, it is unclear whether the post follows an adequate process containing all the required security elements of cash transportation.

We recommend:

- 4. That the country director ensure that the cash movement policy contains all the requirements listed in OFMH 13, is approved by the RSO, revised annually, and maintained as part of the cashier's files.**

The principal cashier did not report a cash count discrepancy to headquarters.

OFMH 13.21.2 requires that any discrepancy on the 365 report not resolved within 2 business days be reported to the Office of Global Accounts Payable (OGAP). This communication to OGAP must include detail about the resolution and the timeframe for completion. Additionally, MS 892 requires that imprest records be maintained at the post for a year. In the monthly cash count of December 2018, the post reported in the 365 report a discrepancy in the amount of approximately \$4,537 USDE. The information about the discrepancy that the post included in the 365 report was that they were requesting further explanation from the training center staff about receipts from the sub-cashier advance.

The issue was resolved by the next monthly cash count, but the principal cashier was unable to provide supporting documents for the resolution of this discrepancy. Without supporting documents, it was unclear if this discrepancy took longer than 2 days to resolve, and we could not determine if the explanation provided was valid. The DMO commented that the email sent to

⁴ The post issued this policy after our fieldwork.

OGAP as part of the monthly cash count procedure should satisfy the notification requirement. However, this email did not state that the monthly count contained a discrepancy, nor did it include the required detail and timeline for resolution.

OGAP confirmed with us that the notification of this discrepancy was not conducted as required in the OFMH. OGAP also stated that paid vouchers should never be a reason for a discrepancy. A voucher should only be entered in FORPost when the financial assistant (FA) corroborates that the transaction is supported by a valid invoice.

Without supporting documentation for this discrepancy, we could not confirm the explanation provided, and the breakdown of controls places the cash at risk of being used, albeit temporarily, for unauthorized purposes. Proper notification and supporting documentation are necessary to ensure that discrepancies are not the result of cash purchases that were not authorized by the post or cash payments without the required invoices.

We recommend:

- 5. That the director of management and operations ensure that future discrepancies noted in the 365 report are properly documented and that the resolution process properly follows requirements listed in OFMH 13.**

The post's transfer of accountability to the alternate cashier needed improvement.

The principal cashier shared the code of the safe.

The Department of State Cashier User's Guide (CUG) 4.3.2.1, Principal/Alternate Cashier Safe Requirements, requires that a cashier and the alternate cashier maintain separate safes.

The post had one principal cashier and two alternate cashiers, but only two safes. The principal cashier and one alternate cashier attended a cashiers' conference sponsored by OGAP in July 2019. We learned that the principal cashier shared the combination for the principal cashier's safe with the alternate cashier who remained at the post during the conference.

Since cashiers are responsible for security of the imprest funds, each of them should have their own safe and combination to properly account for this responsibility. Two staff at the post knowing a safe's combination puts this accountability in danger. The DMO admitted that the post was not adequately prepared when this transfer took place and stated that a safe had been purchased to follow the requirements.

Daily cash counts were not conducted

The Department of State's Cashier User Guide (CUG) 6 Section 3.3.5.2.2 states "During a planned absence of a principal cashier of more than 4 days, an unofficial transfer of accountability must take place." Transferring accountability means the alternate takes full possession of the cash, is delegated the appropriate FORPost⁵ capabilities, and works in the cashier office. Additionally, the CUG states that during this transfer, the outgoing and incoming

⁵ Peace Corps overseas financial system.

cashiers must perform a reconciliation the first and last day of the transfer; and both of them are required to sign this document. When assuming full accountability, alternate cashiers must also conduct daily cash reconciliations as required in OFMH 13.24.1.

During the transfer of accountability in July 2019, no one at the post conducted three of the required daily cash counts. According to the alternate cashier, it was their first time operating FORPost since receiving an official designation in April 2019, and this access was only granted 3 days after accountability was transferred to them. Further, during this transfer, the principal and alternate cashiers did not conduct the cash count reconciliation required for documenting the return of funds to the principal cashier.

Without daily reconciliations, the post lacks a timely and efficient means of detecting errors in the imprest fund. Further, if transfers of accountability are not reconciled, deficiencies in the cash balance and documentation errors may not be detected in a timely manner. Also, the transfer reconciliation would detect whether deficiencies occurred during the alternate cashier tenure.

We recommend:

- 6. That the director of management and operations ensure that the cashier and the alternate cashiers have their own safes or a separate compartment in the same safe with its own combination code to conduct imprest operations.**
- 7. That the director of management and operations monitor the cashier's cash transfers to ensure that alternate cashiers' access is current and cash counts are conducted before, during, and after the transfers of imprest control.**

Sub-cashiering operation internal controls have several deficiencies.

We found critical issues in the internal controls of the sub-cashiering operation that included the lack of cash verifications; a staff member who received cash without authorization; a sub-cashier unaware of funds received, and the comingling of post resources with staff personal funds.

A sub-cashiering operation that lacks essential internal control elements puts cash resources at risk. The risk of unauthorized purchases and staff borrowing post resources for personal benefit is high with the current control environment at post. Additionally, the lack of cash verifications denies the post the ability to address any deficiencies in a timely manner.

The principal cashier did not conduct the required sub-cashiers' cash counts.

OFMH 13 (Exhibit C.10) states:

The Cashier Supervisor must ensure that unannounced verifications of the subcashier funds are conducted. Subcashier advances under \$1,000 USDE must be verified at least quarterly. Subcashier advances of \$1,000 USDE or more must be verified monthly.

We reviewed 9 months of cash counts that included sub-cashiers' advances. During this period, the principal cashier provided advances to five sub-cashiers and should have conducted monthly

or quarterly cash verifications depending on the advances' dollar amounts. Cash verifications during this period occurred as follows:

Table 1: Cash Verifications from September 2018 to May 2019

Sub-cashier	Most Recent Count	Previous Counts	Frequency required
1	5/17/2019	None	Monthly Cash Count required.
2	9/27/2018	None	Monthly Cash Count required.
3	5/17/2019	4/11/2019	Quarterly cash count required
4	5/17/2019	4/24/2019	Monthly Cash Count required.
5	None	None	Quarterly cash count required

The DMO was aware that the principal cashier should conduct these counts. The cashier had told the DMO that cash counts were being conducted, however our audit found that this was not the case. After OIG made the DMO aware of this issue, the cashier went the next day to the two satellite offices and the training site to conduct the sub-cashiers' cash counts.

The post driver signed and delivered a sub-cashier advance.

OFMH 13 (Exhibit C.4), specifically states that sub-cashiers are personally liable for their advances. However, the training center advance issued on July 18, 2019, was signed by one of the post's drivers. According to the DMO, the sub-cashier came to the post a week prior to clear part of the previous advance with the principal cashier and to obtain the replenishment in person. However, some of the paid vouchers were found to be questionable, so she left these vouchers for further review, and also left the post without the replenishment.

When the FA finally approved the vouchers, the cashier gave the replenishment money to one of the drivers for delivery to the training site because the sub-cashier needed the cash immediately. Additionally, the principal cashier stated that although they obtained authorization from the State Department to open pass-through bank accounts for sub-cashiers, the training center operates in an area with banks that require that the accounts maintain a monthly balance.

A sub-cashier was not aware of the outstanding balance.

OFMH 13 (Exhibit C.8) states:

Subcashiers should reconcile the operating fund daily using the Statement of Accountability form. The reconciliation consists of counting all cash on hand, totaling all interim advances, totaling receipts, and verifying that all cash expenditures are properly documented. The advance is reconciled when the paid receipts, interim advances and cash on hand equal the amount of the funds advanced from the Principal Cashier. The daily Statement of Accountability form should be saved (electronically or in paper) for 2 months.

Additionally, OFMH (Exhibit C.4) states in part:

PEACE CORPS OFFICE OF INSPECTOR GENERAL

Subcashiers should be aware of the fact that they personally accept responsibility for the funds received. Loss of funds through negligence or through improper disbursements is a personal responsibility.

We conducted a cash count with one of the sub-cashiers located outside of the main office. The sub-cashier was accountable for approximately \$1,412 USDE, which had been issued on July 18, 2019. The final balance of our count was \$1,145 USDE. At the time of the count, the sub-cashier was not aware of the value of funds they were accountable for, and further could not identify the reason for the discrepancy. Instead, the sub-cashier showed us the monthly list of paid vouchers that had been sent to the FA on July 8, 2019, and directed us to clarify with the post which invoices were cleared. Additionally, the sub-cashier added that once the invoices were scanned, the hard copies were delivered to the post. Due to internet issues during our visit, we were unable to see the scanned copies.

At the post's main office, the FA provided us the reconciliation sheet with hardcopies of all the invoices. No exceptions were found in the cleared invoices amount, and the final value of uncleared vouchers reconciled with the outstanding balance from our count. The FA and the principal cashier agreed that the sub-cashier should know at all times the total cash accountability, which includes cash on hand and paid vouchers. Additionally, the DMO stated that every time the post had to clear the paid vouchers for this sub-cashier a lot of errors were also found.

The post deposited sub-cashiers' advances into their personal bank accounts.

OFMH 13 (Exhibit C.5-5) states:

A subcashier is responsible for:

5. Ensuring that the imprest fund is not intermingled with personal or other funds

According to the DMO, during the cash count of March 2019, the DMO asked the cashier how transfers are made to sub-cashiers who are outside the main office. The cashier responded that the advances were deposited in the sub-cashiers' bank accounts. The DMO stated that the cashier was fully aware that this practice was unallowable, and that the post already received approval to open pass-through bank accounts. The DMO immediately stopped this practice and consulted with OGAP about how these transfers should occur. OGAP confirmed that the post's practice was unallowable.

At the time of our audit, the pass-through bank accounts were fully operational for the two sub-offices. As for the training site, additional work needed to be done to find a bank that allows maintaining a zero balance.

A sub-cashiering operation that lacks essential internal control elements puts cash resources at risk. The risk of unauthorized purchases and staff borrowing post resources for personal benefit is high with the current control environment at the post. Additionally, the lack of cash verifications denies the post the ability to address any deficiencies in a timely manner.

We recommend:

- 8. That the director of management and operations ensure all staff involved in the sub-cashiering operations receive training on how to properly account for sub-cashiers' advances including safeguarding and reconciliation procedures.**
- 9. That the director of management and operations monitor the sub-cashiers' cash counts to ensure that they are conducted as scheduled in OFMH 13 (Exhibit C.10).**
- 10. That the director of management and operations ensure that the training center sub-cashier's pass-through accounts is fully operational.**

VOLUNTEER PAYMENTS

The post did not have adequate controls to verify the accuracy of Volunteer allowances.

Per MS 221, Volunteers receive monthly living allowances while in their country of assignment. Living allowance payments consist of base, supplemental, and/or special living allowances. If Volunteers terminate their service prior to their scheduled completion dates, they owe the Peace Corps prorated allowance refunds.

Before Volunteers completed or terminated their service at the post, the Volunteer support assistant instructed them to complete an end-of-service checklist which included closure of the Volunteers' bank accounts. The post did not require Volunteers to submit any confirmation of their closed accounts and expected that any further Volunteer in-country allowance (VICA) payment would be rejected and returned to headquarters. In the case of medical separations, the post did not usually expect Volunteers to close their own accounts. Instead, the Volunteer support assistant requested that the bank close the accounts and send a check to Peace Corps/Ghana for the account's remaining balance.

If a Volunteer owed money to the post at the time of completing service, the Volunteer support assistant calculated the amount due and issued a bill of collection (BOC).⁶ If the Volunteer was unable to pay the amount owed with the balance of the Volunteer's in-country bank account, then the Volunteer support assistant would request that the Office of the Chief Financial Officer (OCFO) deduct it from the Volunteer's readjustment allowance (RA).

We selected a sample of 54 Volunteers who left service early between 2015 and 2019 for analysis and found 36 erroneous collections or unreconciled balances. We noted the following issues in control processes that led to errors in reconciliation of allowances:

⁶ The Volunteer support assistant is one of the staff members at the post who has access to create BOCs; however, in this case it would present a segregation of duties problem. Further, as explained in the BOC section, the post did not have a staff member designated as the billing officer.

No System for Documenting Calculations

The Volunteer support assistant calculated amounts owed by a Volunteer at the end of their service; however, the Volunteer support assistant did not regularly retain records of these calculations. Due to the irregular retention of calculation records, it was not possible in some cases to determine if funds were not collected from Volunteers due to a calculation error or a lapse in the BOC process.

Bills of Collection Not Created

OFMH 7.2.1 specifies that billing officers must prepare BOCs when a reimbursement or other payment is due to the Peace Corps. Fourteen Volunteers from our sample owed overpaid living allowance to the Peace Corps at the end of their service, but the Volunteer support assistant did not request creation of BOCs or request RA deductions. The prior and current DMOs did not exercise oversight to ensure the creation of BOCs or requests for RA deductions when debts were calculated. However, as noted, due to the absence of documentation it is not clear whether the Volunteer support assistant ever determined that these Volunteers had been overpaid.

Volunteer Bank Accounts Not Closed

Ten bank accounts belonging to departed Volunteers were still open at the time of our audit. Of these, four belonged to Volunteers who medically separated from service. Per the post's practice, these four accounts should have been closed by the Volunteer support assistant. The other six accounts should have been closed by the departing Volunteers. The Volunteer support assistant did not maintain records of bank account closures or requests that accounts be closed, so the post was unaware that these accounts remained open and could not identify if they had requested their closure from the bank at the time the Volunteer left service.

Funds from Volunteer Bank Accounts Not Accounted for by the Post

In four instances in 2017, post staff closed Volunteer bank accounts, however the staff did not issue BOCs to record the amount collected from the accounts. In these four instances, the post had no record of receiving or depositing a check from the bank.

In another instance in 2016, the post closed a Volunteer bank account and received an account closure check for approximately 4,254 cedis.⁷ The post then created a BOC for 1,147 cedis.⁸ The full balance of the check was deposited by the post. This discrepancy may have artificially lowered the cashier's accountability, presenting an opportunity for theft of funds. The post did not remit any leftover funds to the Volunteer who owned the account.

These transactions took place prior to the hiring of the current Volunteer support assistant. As such, we were unable to establish what happened to the funds withdrawn from these five Volunteer bank accounts.

⁷ The cedi is the currency of Ghana.

⁸ A difference of approximately \$704 USDE

Inaccurate Readjustment Allowance Deductions

In three instances, errors were made when a BOC was created and subsequently voided so that the Volunteer could pay through an RA deduction. Typically, BOCs are issued in local currency; however, RAs are paid to Volunteers after their service and are calculated in USD. The post did not convert the currency when changing payment methods, and entered the same numerical value of the BOCs in the RA deduction. This resulted in significant overcollection.

OCFO does not review all RA deductions for accuracy. OCFO depends on posts to verify their own calculations and submissions, and only reviews deductions for overpaid living allowances if the amount submitted appears abnormally large. As the post did not have a process for reviewing the accuracy of RA deductions, there was no control in place to ensure that Volunteers incurred accurate deductions at the conclusion of their service.

Informal Agreement with Bank

Peace Corps policy does not require posts which transfer money to Volunteers via electronic funds transfer (EFT) to have a formal agreement with banks; however, OFMH 2.3.5 states that “Posts should make a determination as to whether they need a [memorandum of agreement] with their bank based on the banking rules in-country and at that specific bank.”

The post used Ghana Commercial Bank (GCB) to service most Volunteers. All accounts which we found to have remained open after the Volunteers to whom they belonged left service were held with GCB. The post does not have any formal agreement with GCB. The Peace Corps’ ability to open, close, and access bank accounts in the Volunteers’ names is reliant upon ad-hoc letters of request addressed to a local branch manager. Because the post does not regularly maintain documentation of its requests to the bank, we were unable to determine if our findings related to Volunteer bank accounts were a product of miscommunication or error on the bank’s part. However, given the challenges we have noted in closing and refunding Volunteer bank accounts, the post should assess the risk of proceeding without a memorandum of agreement.

Various errors in the Volunteer allowance process left approximately \$3,379 uncollected from Volunteers, and \$820 over-collected. We considered \$4,199 as funds to be put to better use (See Table 2).

Table 2: Volunteer Allowance Errors – Funds to be Put to Better Use

Error Type	Number of Volunteers Affected	Current Value of Errors Uncollected from Volunteers	Current Value of Errors Due Back to Volunteers
Calculation Error: Under Collection	14	\$778	
No BOC Created	14	\$2,602	
Calculation Error: Over Collection	5		\$261
RA Deduction Error	3		\$560
Totals		\$3,379	\$820

We recommend:

- 11. That the director of management and operations apply due diligence in collecting approximately \$3,379 USDE in overpaid living allowances.**
- 12. That the director of management and operations apply due diligence in returning approximately \$820 in over-collected living allowances and uncollected bank account balances to Volunteers.**
- 13. That the director of management and operations assess the need for a memorandum of agreement with the Volunteers' banks in order to formalize the administration of Volunteer bank accounts.**
- 14. That the director of management and operations adopt a Volunteer payment process with defined staff roles, and reliable documentation of calculations and communication related to the termination of Volunteers' service.**
- 15. That the director of management and operations create a tracking tool to review departed Volunteers' bank accounts, confirm the accounts are closed, ensure the amounts calculated as overpayments for living allowances are accurate, and collect any debts owed.**

FUEL AND VEHICLES

The post did not have sufficient controls for the purchase and use of fuel.

The Standards for Internal Control in the Federal Government (“The Green Book”) recommends standard components for establishing an effective internal control system within Federal organizations. Concerning one of the components, control activities, the Green Book states, “Management should design control activities⁹ to achieve objectives and respond to risks.”¹⁰

OFMH 66.8 states:

U.S. legislation requires that EFTs be used whenever possible, to reduce the risk of fraud, increase security of payments, and reduce processing costs. Therefore, EFTs are required, whenever possible. If EFTs are not possible, checks may be issued. Imprest is the least preferred mechanism for paying vendors and must be specifically authorized, by type of payment.

From FY 2014 through the time of our audit, the post spent approximately \$292,000 on vehicle and generator fuel purchases. Of this, the post purchased approximately \$131,000 from the U.S. Embassy in Accra, and \$161,000 from various vendors throughout Ghana. Purchases from the

⁹ Control activities are the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity’s information system (Green Book definition).

¹⁰ Standards for Internal Control in the Federal Government, “Principle 10.01 Design Control Activities”

Embassy were billed to the Peace Corps through monthly statements that listed itemized transactions. Transactions outside of the Embassy were conducted via cash advanced from the post's imprest fund. Prior to our audit, the post expressed concern over the risk associated with cash purchases of fuel.

Vehicle Fuel

The post required staff members purchasing vehicle fuel with cash to provide an invoice and a corresponding weekly vehicle usage log in order to clear their fuel cash advance. Often, hand-written invoices from local vendors did not reconcile with the corresponding logs.

In testing vouchers, we found a voucher comprised of nine transactions, four of which were not recorded on the corresponding vehicle logs. These four transactions totaled approximately \$259. Also, the post could not provide a vehicle log to support another invoice of \$117. The post recently implemented the use of daily vehicle logs for more accurate tracking; however, staff recognized that the receipt reconciliation process remained vulnerable to manipulation as long as vendors provided hand-written invoices and the post paid for fuel with cash.

Generator Fuel

The post had three satellite offices and each office had at least one generator. As with vehicles, fuel for generators located outside of Accra was often purchased with cash through local vendors which issued hand-written receipts. At the time of our audit, the post was beginning to implement tracking of generator fuel usage at one satellite office. The post required this satellite office to provide a summary of fuel usage since last refilling. The security guards at the satellite office provided this information, as they maintained records of power outages as part of their duties. The general services manager (GSM) affirmed that the guards' records were quite accurate, but our visit to the satellite office revealed inconsistencies between the reported generator usage and what was recorded in the logs. Additionally, the GSM could not provide a reason as to why a summary was not required from the other two satellite offices. The GSM also agreed that a monitoring tool for all the offices should be considered.

In 2017, OIG issued a Follow-up Audit of Peace Corps Zambia.¹¹ In this report we found that Peace Corps management had not issued guidance for best practices and adequate controls over management of fuel. We recommended:

That the director of Office of Global Operations, in coordination with the acting chief financial officer and acting associate director for management, issue guidance to posts for implementing best practices and internal controls over management of fuel cards and purchase and use of fuel for vehicles and generators.

This recommendation remains open.

Peace Corps/Ghana had begun to implement its own controls on fuel purchases and usage without guidance from headquarters. Despite these efforts, the post's fuel purchases remained

¹¹ https://s3.amazonaws.com/files.peacecorps.gov/documents/inspector-general/Final_Report_on_the_Follow-up_Audit_of_Peace_Corps_Zambia_X05a1s9.pdf

vulnerable to fraud as control activities at the time of our fieldwork did not address the risks related to cash payments and hand-written receipts.

We recommend:

- 16. That the director of management and operations implement a fuel card system.**
- 17. That the director of management and operations ensure that cash fuel purchases are supported by valid vouchers and are properly authorized.**
- 18. That the director of management and operations develop and implement a process for all satellite offices to monitor the usage of generator fuel.**

Post vehicles had inaccurate registration documents.

Per the Peace Corps Fleet Management Handbook 2.6, New Vehicle Information, Vehicle information is required in order to maintain an accurate inventory of overseas vehicles and to comply with fiscal audit requirements.

We found that six vehicles at the post were assigned incorrect license plates at registration. The Embassy made the mistake when it registered these vehicles. The plates for the vehicles were interchanged with one another in the registration documents generated by the Embassy, and the erroneous data was then entered into the Peace Corps Vehicle Management Inventory System (VMIS).

The GSM identified that the post would likely experience difficulty processing an insurance claim if any vehicle with a mismatched Vehicle Identification Number and license plate were to be in an accident.

We recommend:

- 19. That the director of management and operations work with the U.S. Embassy to correct all erroneous vehicle registrations.**

PROPERTY

The post was unable to account for multiple information technology assets.

Per MS 511, Property Management Handbook, “Accountable Personal Property Assets must be recorded in Sunflower and physically tagged with a Peace Corps bar code number.”¹² Our review of property found persisting errors in tracking assets. Additionally, in 2017 the post identified in its Administrative Management Control Survey (AMCS), that it had not properly barcoded and recorded assets in accordance with MS 511. However, no substantive action was taken to address the matter.

¹² MS 511 Property Management Handbook, Section 6.1

Smartphones Not Accounted For

According to Peace Corps policy, “property controls for Peace Corps personal property must be utilized to ensure that assets are not lost, stolen, misused, or otherwise subjected to waste, fraud or abuse.”¹³

In 2017 and 2018, the post purchased 30 Samsung S8 smartphones for use by staff. Of these 30 phones, we noted that 11 were not tracked correctly in Sunflower, the agency’s asset management system.¹⁴ Errors included incorrect serial numbers, duplicated serial numbers, and missing barcodes. One phone was received twice in Sunflower and 4 phones were not received in the system until a year after they were ordered. The information technology specialist (ITS) maintained a tracking spreadsheet separate from Sunflower containing more current information about which phones were assigned to users, however this tracker did not accurately reflect all asset tags as listed in Sunflower. These 11 improperly tracked phones were valued at \$7,675 USDE.

In 2015, the post purchased 26 Samsung S5 mini smartphones for use by staff. Of these, the post reported that 9 were still in use, 13 had been sold at auction through the U.S. Embassy, and the remaining 4 were broken and retained by the ITS. While the purchase of these phones predated the agency’s implementation of Sunflower, 12 phones were never transferred into the system. Due to insufficient tracking, it is unclear which phones were sold at auction through the Embassy. The post was unable to produce records to reflect this sale. These missing phones were purchased for approximately \$5,065.¹⁵

Missing Inventory

In 2015, the post purchased various information technology (IT) equipment from a local vendor, including a television worth \$2,000 USD. We could not locate the television at the post, and those at the post who should have been involved in ordering, receiving, and maintaining the television did not recall seeing it. This included the Acceptance Point Clerk (APC) who signed as having received the equipment in 2015.

According to a headquarters inventory management specialist (IMS), a design flaw in Sunflower allowed the former GSM to erroneously receive a single item multiple times until the number of items received matched the number of items ordered under the purchase order. Sunflower allowed the GSM to close the purchase order without any variances being noted. The agency reported that Sunflower was modified in February 2018 to prevent this type of error from occurring.

In addition to the missing television, the post was unable to corroborate the existence of four other IT assets listed in Sunflower. This was due to serial number discrepancies, missing tags, and incorrect names. These items included two desktop computers, a network switch, and a

¹³ MS 511 Policy, Section 6.0

¹⁴ MS 511 Property Management Handbook, Section 4.0

¹⁵ These will be considered questioned costs as part of the following finding on the unauthorized disposal of IT assets.

multifunction printer. We determined that the former GSM was responsible for receiving all items which we could not identify. These assets were valued at \$7,519 USD.

Sunflower Training

The former GSM did not appear to have a functional understanding of how to use Sunflower and did not succeed in recognizing and correcting errors in the post’s inventory. The former GSM retired in early 2019, and post staff have since worked to correct mistakes. However, they too do not feel that they have been fully trained on the system.

MS 511 includes a Personal Property Management Handbook which presents the procedures to account for Peace Corps property. However, the ITS and new GSM in Ghana expressed that they did not believe they had a full understanding of Sunflower and would like more training. They stated that their primary source of training had been through consultations with headquarters as issues arose at the post. At the time of our audit, property management staff at headquarters were working to design and implement a series of training opportunities for GSMs.

Maintaining an accurate and complete property inventory database, updating the database with applicable changes on an ongoing basis, performing periodic reconciliations during the year, conducting careful and complete physical inventory verifications, and investigating discrepancies are important steps in preventing waste, fraud, and abuse of post property. Because the post did not properly perform these steps, the post could not account for property valued at \$17,194, resulting in unsupported questioned costs (See Table 3).

Table 3: Improper Asset Tracking – Unsupported Questioned Costs

Improper Asset Tracking	
Samsung S8 Smartphones	\$7,675
Television	\$2,000
Various IT assets	\$7,519
Total	\$17,194

We recommend:

- 20. That the director of management and operations work with the post’s asset management team to correct records identified as erroneous or missing in the agency’s asset management system.**
- 21. That the director of management and operations implement a comprehensive asset management system training program for all relevant post staff based on their roles in the agency’s asset management system.**

The post disposed of various information technology assets through unauthorized auction.

Per MS 511 15.2, in order to sell Peace Corps assets that have records in Sunflower, the post must “Submit a request for the sale in Sunflower. The request for the sale must be submitted as soon as possible, but not less than 10 business days in advance of the sale.”

In April 2018, the post issued a Standard Operating Procedure concerning auctions conducted through the Embassy, which stated, “Request sale in Sunflower at least 2 weeks before auction (preferably 3).”

In May 2018, the former GSM transferred an assortment of IT assets valued in Sunflower at \$82,767 to the U.S. Embassy in Accra for sale at auction. The former GSM did not seek approval through Sunflower and did not maintain a complete record of items transferred to the Embassy or sold through that auction. The current GSM could not speculate as to why the former GSM did not follow procedure in conducting this sale. Because the former GSM did not follow procedure, the assets were not removed from inventory in a timely manner.

In 2019, the current GSM identified that these asset records had not been removed from the post’s Sunflower inventory. Although the post did not have a complete record of items transferred to the Embassy, the current GSM had begun to take corrective action by retroactively requesting the sale of items confirmed to have been transferred.

The total questioned costs we identified for items disposed without authorization was \$87,832 (See Table 4). Adequate and properly implemented internal controls are essential for effective accountability and oversight over Peace Corps assets. Improperly conducting an auction circumvents established controls and management supervision, creating an opportunity for fraud and asset misappropriation.

Table 4: Unauthorized Sales – Questioned Costs

Unauthorized Sales	
Samsung S5 Smartphones	\$5,065
Various IT assets	\$82,767
Total	\$87,832

We recommend:

- 22. That the director of management and operations make an effort to obtain itemized records of all property auctions from FY 2018 and FY 2019 and take action to correct asset management system records accordingly.**

VOUCHERS

The post paid phone lines for unauthorized usage

MS 834, Telephone and Fax Use, states: “Country Directors should review itemized phone bills monthly.”

Additionally, regarding Peace Corps-paid telecommunication, OFMH 66.6.11 states: “These phones and calling cards are intended for official Peace Corps usage. Country Directors should make a determination on whether or not it is cost effective to bill staff for any unauthorized, personal calls.”

We selected two vouchers for each of the phone carriers that the post was using as part of our voucher testing and requested a list of phones with the corresponding staff names. At that time, the DMO identified that the ITS had maintained an unauthorized phone line for personal use in addition to their authorized Peace Corps line. Since March of 2016, the Peace Corps was billed 52,252.08 Ghanaian cedis for the unauthorized phone line, worth approximately \$9,700 USDE at the close of fieldwork. As a result of learning this information, we expanded our scope to include all phone charges billed from April 2017 to August 2019.

The post provided a list of 40 mobile phone lines assigned to staff or dedicated to official functions. These phone lines were split between two different carriers. After reviewing monthly statements for these accounts, we identified that the post had been billed for an additional 31 phone lines that did not belong to the Peace Corps.

Further, the post did not maintain a bilateral contract¹⁶ with the phone carriers that would show the scope of these services and did not have a process for reviewing phone bills. Due to this lack of oversight, the post did not identify excess charges and unauthorized use spanning multiple years. At the close of our audit, the post was not yet able to identify who was using the additional phone lines. We estimated that the post had been billed an estimated \$7,500 USDE for unassigned phone lines since April 2017.

The DMO stated that the ITS was the staff member who worked with the phone companies to set up the phone services. Also, the ITS and the administrative unit never reviewed the phone bills for accuracy. By not having formal contracts and a system in place to monitor phone bills against these contracts, the post was diverting financial resources to services that did not benefit the post’s mission.

We recommend:

- 23. That the director of management and operations initiate action to collect from the staff member who maintained the unauthorized personal phone line approximately \$9,700 USDE for the billing of the phone line to the Peace Corps.**

¹⁶ OFMH 32.7.6 states that telephone services are considered a procurement activity and all standard procurement rules are applicable.

- 24. That the director of management and operations work with phone carriers to cancel all unauthorized phone lines and establish bilateral contracts with these service providers.**
- 25. That the country director evaluate the need for a process of reconciling monthly phone bills for personal usage that includes the prevention of unauthorized phone line additions.**

The post did not claim value added tax exemption.

The Peace Corps country agreement with the Government of Ghana exempts the post from value added tax (VAT) on the introduction and acquisition of equipment and supplies. In order to receive VAT exemption at the point of sale, the U.S. Embassy provides a book of VAT exemption certificates to the post. The post issues a VAT exemption certificate to the vendor with the purchase order, which allows the vendor to issue invoices without charging VAT. During this process, the principal cashier is responsible for keeping track of the exemption with the VAT certificate book. If the Peace Corps inadvertently pays any VAT, the government of Ghana allows it to claim a refund.

In an interview, the DMO stated that she requested the VAT book after assuming the DMO role in Ghana in November 2018. The cashier did not provide the book, but assured the DMO that exemptions were requested. We reviewed the VAT book during fieldwork and found that the post had not taken advantage of the VAT exemption since September 2017. Prior to September 2017, the post obtained the VAT exemption before payment. The principal cashier stated it was difficult to get a vendor to agree with the VAT exemption. The principal cashier did not provide any further explanation as to why the post did not request VAT exemptions after September 2017.

When the post does not claim VAT exemptions and refunds, it overlooks cost savings opportunities. Claiming VAT exemptions can save taxpayer money and make more resources available to the post. As a result of not claiming VAT exemptions and refunds, the post paid approximately \$32,961 USDE more than necessary from September 2017 to May 2019.

We Recommend:

- 26. That the director of management and operations assemble the value added tax receipts and file a refund claim with the appropriate Ghana revenue authorities in accordance with local laws and regulations.**
- 27. That the director of management and operations provide training to staff about applicable value added tax exemptions, the process for claiming value added tax refunds from the appropriate Ghanaian authorities, and when a claim should be filed.**

The post made payments without proper authorization.

OFMH 66.4 (5) requires that posts maintain obligation documents as follows:

5. Obligation documents. All obligating documents must be filed at Post. In some cases, a copy of the obligating document must also be sent to [Global Accounts Payable] invoice certification. See [Global Accounts Payable] Payment Requirements for details of which obligating documents must be sent.

We found that a total of \$9,693 USDE was disbursed for the acquisition of electricity units, plumbing fixtures, temporary labor, counterpart travel, renovation materials, and water supplies without obligation documents.

Additionally, OFMH 32.5 requires that all increases to an obligation must be recorded in FORPost, and all FORPost entries that increase an obligation need to be supported by a valid obligating document. We compared obligation documents with the paid vouchers, and found that the post made payments in excess of the original obligations by a total of \$364 USDE without updating the obligation documents. Further, one of these vouchers with discrepancies was unsupported by \$196.

The post was aware that an obligation document has to be completed for these purchases of supplies and services using a micro purchase form as stated in OFMH 32. However, no one at the post was able to find these documents. Additionally, the DMO admitted that it was a practice of Peace Corps/Ghana to not amend the micro purchase document if the actual payment made was higher than originally estimated.

When obligating documents are not maintained, those with monitoring responsibilities cannot corroborate whether purchases were duly authorized and needed for the post's mission or ensure that the post's funds were not diverted to unauthorized purchases and/or questionable vendors. Also, these documents ensure that payments are in accordance with the initial amount authorized. Payments in excess of the obligation document draw on post budget resources that were originally designated for other uses.

We recommend:

28. That the director of management and operations ensure that obligation documents for cash purchases are prepared, updated as necessary to reflect increases, and filed at the post.

The post did not complete travel vouchers for three travel transactions.

OFMH 57.6, "Travel Vouchers," requires a travel voucher for staff in-country travel to document the amount of money spent and owed to the post or the traveler before staff can clear the travel advance. We found that three travel payments of approximately \$4,000 USDE did not include the supporting travel voucher. The DMO stated that there was not a reason for the missing vouchers, since this is a post requirement.

Travel vouchers must be completed by the travelers to ensure accountability of their activities and abide by policy. Clearing travel advances without the vouchers creates a risk that travel expenses were not validated by the traveler and that expenses were not travel related.

We recommend:

- 29. That the director of management and operations direct the staff to prepare their travel vouchers and ensure staff are trained on all aspects of travel voucher submission.**

The financial assistant authorized payments without delegation of authority.

OFHM 66.3 requires:

Overall management authority is provided to the Country Director in MS 114. In general, Country Directors are authorized to manage the administrative support requirements of posts, including fiscal obligation of funds, approval of payments and receipt of goods and services. These functions may and should be re-delegated, to assure that there is no conflict of interest and to provide for appropriate internal controls. This is normally done through a formal, written "standing" delegation to other staff with the required knowledge and experience to perform the responsibilities.

Also, for cash purchases, the State Department Cashier User Guide (CUG) 5.3.2.2 states that the cashier should obtain approval from the principal officer, in this case the CD or a staff member designated with a delegation of authority (DOA) that contains emergency cash authorization authority, prior to voucher payment.

One of the FAs approved payments and emergency cash payments without the authority to do so. The transactions identified were as follows:

Payments

- An acquisition of two generators in the approximate amount of \$8,982 USDE.
- Guard services and temporary labor in the approximate amount of \$239 USDE.

Emergency Cash Payments

- Temporary labor and the purchase of materials for a warehouse renovation in the approximate amount of \$1,919 USDE.
- Installation of air conditioning units at one of the sub-offices in the approximate amount of \$564 USDE.
- Temporary labor and the purchase of materials for a sub-office renovation in the approximate amount of \$1,026 USDE.

The DMO informed us during planning that this FA signed documents without the required authority, and when the issue was found in March 2019, a limited DOA was issued the same date. Additionally, one of the FAs at the post was not aware that these DOAs require an update every time a new CD takes control of post operations.

Having a current DOA is an internal control that allows the post to have staff that are trained in the proper payment process in case the principal officer is absent from the post. Unauthorized staff making critical payment decisions could potentially lead to an abuse of post resources.

We recommend:

- 30. That the country director ensure that authority is delegated to staff with the required knowledge and experience to perform the post's administrative functions, and that these delegations of authority are current and tailored to specific post needs.**

PERSONAL SERVICE CONTRACTS

Security recertifications for two personal services contractors lapsed for a period of time and were not filed in their personnel files

The policy at the time that these contracts were renewed did not dictate any guidance on the lapse of a background investigation and concurrent renewal of a PSC contract. However, the policy required that current certifications be filed in the PSC contract files.

MS 743.8.2, "Security Certification for PSCs," states in part:

The CD must request re-certification of a continuously employed PSC every five years in accordance with 12 FAM 420. Documentation of the security certification will be filed in the individual PSCs contract file at post.

In September 2019, the agency issued MS 732.9.4.1, superseding MS 743.8.2. The policy states that the continuation of a PSC contract is contingent upon the completion of a background investigation. Additionally, the policy refers to additional guidance developed by the Office of Safety and Security Background Checks of Overseas Staff Guidance,¹⁷ which states in part:

Post may award a renewal contract or exercise an option for a PSC whose security certification has lapsed due to administrative delays on the part of the RSO PROVIDED that the PSC has submitted any required documentation and that post has requested a re-certification from the RSO within the specified timeframe as provided by the RSO or Embassy.

We found that two PSCs did not have current certifications on file, and that there was a lapsed period between the original certification and the recertification. One of the PSC certifications reviewed expired on March 17, 2019, and the recertification was requested on March 18, 2019. The DMO confirmed that the post had not received this certification yet, and also that the embassy did not provide any timeframe for the completion. The DMO stated that this recertification after expiration was due to lack of expediency in filling out the recertification form on the part of the staff member, as well as post management not holding the staff member accountable for timely completion. The other PSC's recertification was requested on December

¹⁷ This document is promulgated by the Information and Personnel Security Division within the Office of Safety and Security (OSS),

**with MS 732 and the Background Checks of Overseas Staff
Guidance from the Office of Safety and Security.**

GRANTS

The post did not initiate collection actions for unused grant funds after it was unable to deduct from a Volunteer's readjustment allowance.

Per the Peace Corps Small Grants Program Handbook, Grant Closeout, (II)(B) Returning Funds, "If the [Volunteer] leaves the country and does not return unused grant funds in his or her possession, the post should contact OGAP to send a BOC (which will include the appropriate fiscal coding) to the [Volunteer], requesting repayment of the funds in question. When received from the [Volunteer], these funds will be posted against the original obligation(s) and the [Volunteer] will incur no additional liability. If the [Volunteer] still does not return the unused grant funds, OGAP will decide if it is appropriate to pursue further collection methods."

On one occasion in 2017, a Volunteer was unable to pay approximately \$601 USDE of unused Small Project Assistance grant funds at the close of the Volunteer's service. The post intended to deduct this amount from the Volunteer's RA, but was told by headquarters that this money could not be deducted from RA. The post did not take any subsequent action to collect the funds.

Two months after the Volunteer closed service, the small grants coordinator at the post inquired if the RA deduction had been processed. At that time, the prior DMO mistakenly advised that the outstanding amount had been paid by the Volunteer through the Volunteer's RA. It is unclear what led the prior DMO to believe the funds had been collected.

As a result of this error, we identified the \$601 USDE as funds to be put to better use.

We recommend:

- 33. That the director of management and operations apply due diligence in collecting approximately \$601 in unused grant funds.**

The post did not track a segment of grants through Peace Corps Grants Online (PCGO).

PCGO serves as a detailed tracking system for all grants at all posts. Per the Peace Corps Small Grants Program Handbook, "Monitoring, Evaluation, and Management of Post Grant Programs," (I)(A):

In order to effectively support [Volunteers] and be accountable to internal and external audiences (including funding partners), it is critical that each post track the status of each grant from application to completion in the PCGO CRM database.

During our audit, we found that since FY 2014 the post had not tracked 284 "Seed" grants¹⁹ in PCGO worth a total of approximately \$148,196 USD. This practice started under the supervision of a director of programming and training (DPT) who was no longer at the post. According to staff, the former DPT believed that Seed grants should not be submitted through PCGO because

¹⁹ "Seed" grant is a term specific to Peace Corps/Ghana which refers to Feed the Future (FTF) grants below \$800 USD.

of their relatively low value and the post's emphasis on quick implementation of food security projects. In lieu of PCGO, the food security coordinator maintained a spreadsheet to monitor Volunteers' grant statuses.

Headquarters previously provided guidance to Peace Corps/Ghana that all grants, including Seed grants, must be submitted through PCGO in accordance with Peace Corps policies. The current FTF program manager at headquarters expressed that, despite this guidance, the former DPT resisted maintaining Seed grants in PCGO. After the DPT's departure, post staff continued the practice.

Not utilizing the standardized grant tracking system could result in errors and inhibits headquarters' monitoring capabilities. We examined the post's system for tracking Seed grants outside of PCGO and found data entry errors, as well as gaps in record keeping. As a result of inadequate tracking of Seed grants, the post could not provide supporting documentation for one Volunteer's grant of approximately \$800 USDE.

Additionally, the post did not initiate collection of \$643 in unused grant funds from another Volunteer, who medically separated from service. The medically separated Volunteer was instructed that their bank account would be closed and all funds collected, but the account remained open and grant funds remained uncollected for the duration of the Volunteer's medical separation. The Volunteer later returned to service and resumed use of the account. The food security coordinator was under the impression that the Volunteer did not intend to resume the grant project. However, the Volunteer remained accountable for the unused balance of the grant. At the time of our audit this Volunteer was still in service.

Accordingly, we considered the \$800 grant without supporting documentation to be an unsupported questioned cost, and we considered the open grant of \$643 to be funds to be put to better use.

We recommend:

- 34. That the director of management and operations instruct post management staff to track all current and future grants in PCGO, in compliance with Peace Corps policy.**
- 35. That the director of management and operations ensure that the \$643 in unused grant funds are collected if the Volunteer does not intend to complete their project.**

MEDICAL SUPPLIES

The post did not maintain adequate inventory of controlled substances.

MS 734.8 requires that the post must record all controlled substances received, stocked, and distributed. Additionally, the PCMO support unit manager at headquarters told us that only expired medication should be removed from the inventory sheet. During fieldwork, we conducted an inventory of all controlled substances. We noted that the PCMO maintained a partially dispensed liquid medication in the controlled substances' safe that was unaccounted for on the official inventory sheet. The PCMO stated that it was still a viable medication and was

unsure if it was required to account for the opened vial in the inventory because it was partially dispensed.

The PCMO support unit manager acknowledged that the Peace Corps does not have current guidance on how to account for dispensed doses, and this is something they intend to include in future guidance.

Incomplete inventory records that do not keep proper accountability of controlled substances could create the opportunity for misuse of these medications.

We recommend:

36. That the country director ensure that the post maintains inventory of all controlled substances.

The country director did not witness the destruction of all medical supplies

MS 734.9.1 describes the disposal process as follows:

Medical supplies (medicines, dressing material, laboratory reagents, test kits, birth control products, and vaccines, etc.) with expired shelf life or medications that have been returned to the Health Unit by [Volunteers/Trainees] must be destroyed in the presence of the PCMO and the CD, in accordance with local waste disposal and air and water pollution control standards

According to the CD, the post's medical supply disposal process began with the PCMO carrying the medical supplies for disposal to the main office. Next, the CD verified that the disposal forms contained the same supplies that the PCMO displayed. Once the verification was completed, the disposal forms were signed. The CD did not witness the destruction of medical supplies. The PCMO placed medical supplies for disposal in red containers without destroying them. These red containers were located in a locked room at the medical office, and the medical laboratory collected them monthly. According to the PCMO, when these red containers are sealed they cannot be opened again. However, these containers are not sealed until they are full.

The CD stated that they were not aware that this process was against Peace Corps guidance.

An effective medical supply disposal system at the post is of extreme importance to minimize the risk of theft and misuse of medicines and to maintain accountability for proper disposal.

We recommend:

37. That the country director and the Peace Corps medical officer both witness the destruction of all medical supplies in accordance with Peace Corps guidance.

The acceptance point clerk does not receive all medical supplies.

Per MS 734.5.4:

The Acceptance Point Clerk (APC) is appointed by the CD and is responsible for receiving all medical supplies at post and coordinating initial inventory and transfer to the Medical Office. The APC works with

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both the Medical Supply Inventory Control Clerk (MSICC) and the PCMO to ensure that medical supplies are properly delivered and inventoried.

Our audit found that the APC documented both controlled substances and specially designated medical supplies with form PC-734B in compliance with policy. However, the APC did not receive all other medical supplies as required. Both the current and former APC at the post advised that the medical secretary only asked them to receive controlled substances and specially designated supplies. Based on interviews at the post, we concluded that the staff were not fully aware of this requirement.

Not requiring the APC to inspect all contents of all supply shipments creates potential for supply orders to be incomplete, misused, or stolen.

We recommend:

- 38. That the country director ensure that the acceptance point clerk is receiving all medical supplies at the post in accordance with Peace Corps guidance.**

BILLS OF COLLECTION

The post did not follow up on the collection of its long outstanding bills of collection.

The billing officer must perform the following tasks in accordance with OFMH 7.2.2:

- After 30 days — Prepare a letter to be signed by DMO, stating that the bill is now overdue....
- After 60 days — Notify the debtor's supervisor (only for staff). Prepare a stronger letter to be signed by CD....
- After 90 days — The Billing Officer and DMO should review. If Post determines that they should keep the debt longer, they should contact their [Global Accounts Payable Financial Management Officer], providing details and estimated time needed to collect.

The post did not follow-up on collecting 64 BOCs that were outstanding for over 30 days, consisting mostly of unused travel advances and unused grant funds from FY 2014 to May 2019. Out of these 64 BOCs, 4 were overdue for over 90 days. The post did not have a staff member designated as the billing officer. The post had two FAs and two voucher examiners who prepared the BOCs once the debt was known. The post stated that some verbal follow-up was performed; however, written documentation was never provided as required by Peace Corps guidance. Furthermore, the principal cashier kept the uncollected BOCs, a duty which should be the responsibility of a billing officer.

The DMO acknowledged that for at least 5 years no staff member has been officially designated as the billing officer to follow-up on outstanding debt. Conducting monthly reviews and following-up on outstanding BOCs strengthens the internal controls, allowing the post to better manage debt and detect any misuse of government funds.

We recommend:

- 39. That the director of management and operations designate a staff member as the post's billing officer.**

40. That the director of management and operations ensure that all outstanding bills of collection are followed up in a timely manner and in accordance with Peace Corps policy.

Bills of collection and voids were not signed by the director of management and operations.

OFMH 7.2.3, “Cashier Void of BOC,” states in part:

The DMO must approve all BOC Voids in FOR Post. DMOs will be alerted of BOC Voids awaiting approval on the Home Page Messages.

Before approving a Void, the DMO must ensure that: 1) the re-entry has already been entered, or 2) that he/she sees the duplicate, or 3) that he/she understands the reason if it is voided for any other reason. If the duplicate or re-entry is for a different amount, an explanation is needed. The DMO should also ensure that the documentation is sufficient for someone else to clearly understand the Void.

Additionally, OFMH 7.2.1, “Billing Steps,” requires that the DMO signs the BOC once the billing officer enters the debt information in FORPOST, prints the BOC, and attaches the supporting documentation.

We reviewed 32 BOC voids, which represent the entire population of voids from FY 2018 to May 2019, and found that the DMO did not sign 10 of them. For 9 of the 10 without the DMO’s signature, the signature block was blank. One of the 10 was signed by an FA.

The DMO was not aware that BOCs had been voided without the DMO’s approval. During audit planning, the DMO expressed concerns that an FA was signing documentation without authorization. We confirmed during our site visit that this FA did not have delegation of authority to sign for this voided BOC. We also found that five BOCs amounting to \$1,383 USDE were signed by this FA without a delegation of authority as required in OFMH 7.1. The DMO revoked this FA’s access to sign and authorize documents in July 2019.

The DMO is responsible for ensuring that BOCs are voided for a valid reason and that the debt is valid. By implementing this required internal control, the post will reduce the risk of having BOC voids for invalid reasons. Invalid BOC voids could signal that a debt was paid but the money not returned back to the post. Additionally, reviews of BOCs are necessary in order to have a debt balance that accurately represents future cash resources at the post.

We recommend:

41. That the director of management and operations ensure that bills of collection and bill of collection voids are reviewed and signed by properly authorized individuals, and that this authority is removed timely when no longer needed.

The post did not keep supporting documentation for bills of collection.

OFMH 7.2.1 requires that the billing officer attach a copy of supporting documentation to the BOC. Additionally, OFMH 7.2.2 requires that the billing officer coordinate with the cashier to

receive and file copies of the general receipts. As stated above, the DMO acknowledged that for the last 5 years the post did not have an officially designated billing officer to follow-up on outstanding debt.

The post did not keep adequate documentation for 3 of the 18 BOCs we reviewed. The first of the three BOCs was related to a travel transaction in the amount of approximately \$125 USDE, which staff disputed as having already been paid in November 2017. After the post was unable to find the BOC and general receipt documentation, the traveler agreed to pay the balance in June 2018. The second, in the amount of approximately \$3,493 USDE, was for an insurance payment without a general receipt document. The third, in the amount of approximately \$434 USDE, was for a bank account closure without the supporting documentation.

Without complete billing files, the post cannot prove that the billing amounts were the correct amounts, that they were for the correct customers, and that they had the correct dates, thus increasing the potential for disputes from the debtor.

We recommend:

- 42. That the director of management and operations ensure that bills of collection are maintained with all the required information.**

INFORMATION TECHNOLOGY

Post staff had unauthorized access to Peace Corps information technology systems.

Peace Corps Interim Policy Statement 1-17, section 6.1.1 (d), Access Control, states that system owners will:

Enforce separation of duties to minimize the potential of abuse of authorized privileges and help reduce the risk of malicious activity without collusion;

During our testing of IT system controls, we found that staff were granted unauthorized permissions by the previous DMO. In addition, the current DMO wasn't aware that the authorization forms needed to be updated to show the current user access, or that too much access compromised the segregation of duties. For five OdyWeb²⁰ modules, we found that the post had granted access for some administrative staff to both edit information and submit it to headquarters for final approval, which compromised segregation of duties (See Table 5).

Table 5: OdyWeb Modules in which Too Much Staff Access Compromised Segregation of Duties

OdyWeb Module	Staff Members Whose Access Compromised Segregation of Duties
VESI	Two FAs, two voucher examiners, and the DMO
Vendor Maintenance	Two FAs and two voucher examiners
Security Certifications	Two FAs and the DMO
Personal Services Contractors	Two FAs, one voucher examiner, and the DMO
VICA	Two FAs, one voucher examiner, and the DMO

²⁰ OdyWeb is a collection of modules that allow posts to edit and submit data to the Peace Corps financial system.

Staff should not have access to both prepare data and review it for final submission. The separation of duties is an integral part of internal controls and is necessary to avoid management errors and prevent fraud.

We recommend:

- 43. That the director of management and operations review all users of Peace Corps information technology systems and update their forms to ensure that they have proper access to these systems.**

The post did not have a backup user administrator.

OdyWeb user access rules state that the post is encouraged to set up a second OdyWeb user administrator. The user administrator duties are to initiate, modify, and cancel access. This backup user administrator will also understand the controls and responsibilities of OdyWeb.

We noted that the DMO was the only staff member at the post designated as a user administrator in OdyWeb. The CD was authorized as a user administrator on the access form, however was not actually granted access in the module. The DMO was unaware of this discrepancy.

It is important that the post have a backup user administrator who could cover for the DMO during a period of absence. Having a backup administrator at the post ensures that critical business processes and reports can run without unnecessary interruptions.

We recommend:

- 44. That the post designate a second staff member as a backup user administrator and provide the necessary training.**

The post did not secure the server room.

Peace Corps policy MS 897, Attachment B, states that data maintained electronically on network servers must be in a locked room with physical access limited to authorized personnel. However, during our fieldwork, we witnessed two server rooms with vulnerabilities that allowed unauthorized users access to them.

At the main office, one wall of the server room had a window covered with a piece of wood. According to the international IT specialist (IITS) at headquarters, there is not a server wall policy. However, the RSO must inspect²¹ the building prior to occupancy, and the IITS stated that this approval would include the security of the external walls. We confirmed with the DMO that the main facility had not been inspected by the RSO.

At the training site, the training coordinator told us that the key to the server room is kept in the entry doorknob at all times so that all the staff can troubleshoot remotely with the IT specialist

²¹ Overseas contracting handbook requires that when a property is selected, the RSO will need to inspect the property's key attributes against the security standards applicable for that country.

who is located at the main office. Further, we noted that trainees could walk down the hallway where the training site server room entry is located, and they could easily access it.

Controlled access and adequate walls help to protect the server against events that might damage it. Damage to the server could result in losses of critical private data and staff productivity.

We recommend:

45. That the country director ensure that the server room at the main facility is located in a place that cannot be easily accessed, including mitigating any physical vulnerabilities to the server room.

46. That the country director instruct the training center manager to ensure that the server room access is controlled.

The post did not secure the offsite server backup.

The IT Specialist Handbook, section 7.2.6, Tape Storage, states:

Both onsite and offsite tapes should be stored in a climate controlled, secure location. A fireproof safe is ideal, but not required. Under no circumstances should any of the tapes be stored in the server room at post; they must be kept in a separate location, except for the single tape currently in the tape drive of the server.

At the time of our audit, the DMO kept the offsite monthly backup tape at her house in a drawer that did not lock and was not fireproof. The DMO was aware that this was an issue and stated that the post would purchase a safe for her house.

It is critical that backups are kept in a secure location. Without a backup, critical server information will not be restored in case of hardware failure, power outage, data corruption, human errors, and criminal activities.

We recommend:

47. That the director of management and operations ensure that offsite backups are properly safeguarded.

BUDGET

The post inadequately exercised option years of a security guard contract.

Unsupported contract increases during option years

OFMH 32.4.2, "Financial Recordation in FOR Post," states in part:

Posts must record obligations in FOR Post only when supported by documentation. It is important to note that obligations (except in very limited circumstances noted below) are not to be recorded in FOR Post until such time as a liability (obligation) has been incurred or accepted by an authorized individual.

Additionally, the Overseas Contracting Newsletter, Issue No. 22, states in part:

Contract Modifications:

With every modification you do to any contract, ensure you include a signed note in the contract file explaining the following three things:

- The purpose of the modification and the story behind why the contract is being modified at this time,
- Detailing any increased costs and the basis upon which you have determined those increased costs to be fair and reasonable, and
- A determination that doing the modification is in the best interests of the Peace Corps.

Due to the former DMO’s unsupported decisions to unilaterally increase the price for two option years of a guard services contract, the post had two outstanding obligations totaling approximately \$10,629. (See Table 6).

Table 6: Guard-Service Contract Obligations

Contract	Period	Obligation ^	Payments	Difference	Obligation Status
Base Contract	9/14-9/15	\$39,480	\$36,190	\$3,290	Amount de-obligated in 2016
Option 1	9/15-9/16	\$50,760	\$50,007	\$753	Amount de-obligated in 2016
Option 2	9/16-9/17	\$68,103	\$63,361	\$4,742	open obligation during audit*
Option 3	9/17-9/18	\$70,000	\$64,113	\$5,886	open obligation during audit*
Option 4	9/18-9/19	\$72,100	\$71,493	\$607	Liquidation of this obligation still pending*

* Obligation document signed only by the DMO. Unilateral contract.

^ Supported with obligation document

- Option Years 1 and 2

According to the current DMO, the last monthly contract payment for option year 1 of this contract was inaccurately assessed before processing in FORPost. The amount left in the obligation was not compared with the invoice. Further, a de-obligation of approximately \$753 was made without description or explanation in FORPost or the contract file.

The contract established the monthly payment during option year 1 as \$4,230, but for the final month in option year 1 the vendor submitted an invoice for approximately \$4,410. As a result, the funds obligated under option year 1 were not sufficient to pay the total amount of the invoice. The invoice was not verified against the contract to determine the accuracy of the amount billed. Prior to liquidating the final payment under option year 1, the post exercised option year 2 and obligated funding for it. The post split the final option year 1 invoice, liquidating approximately \$3,477 against the remaining option year 1 obligation balance and approximately \$933 against the new option year 2 obligation.

As a result, the option year 2 obligation ended up being approximately \$933 short of the amount needed to pay option year 2 in full. Further, the option year 2 was exercised, and an obligation was recorded, at a higher amount without written evidence to support this increase. Monthly payments under option year 2 were increased to approximately \$5,675. This again resulted in the

post being unable to liquidate the final invoice against the obligation, as the obligation for option year 2 was short the approximate \$933 used to liquidate the final invoice from option year 1. The current DMO stated that the post requested the vendor to submit an invoice for approximately \$4,742 (the option year 2 monthly amount of \$5,675 minus \$933) to have the final option year 2 payment match what was left in the option year 2 obligation. However, the vendor was reportedly reluctant to accommodate the request.

- Option Year 3

In June 2017, the former DMO exercised option year 3 but unilaterally decided to increase the monthly payments by approximately \$158 (approximately \$5,675 to \$5,833) without notifying the contractor. The post entered an obligation for option year 3 reflecting 12 months of payments at the higher amount. The contractor, who did not know of the increase, submitted monthly invoices for the lower amount of approximately \$5,675, not \$5,833, for 10 payments. The last invoice submitted for this option year was for approximately \$5,464, and an explanation for the difference was not included in the invoice or contract file.

The post finally told the contractor of the unilateral increase to option year 3 in February 2019, approximately 20 months after the decision was made and approximately 5 months after option year 3 had already ended. Subsequently, the contractor was paid approximately \$1,896, the difference between the obligated and billed amounts for the 12 months of option year 3. However, the contractor had only billed for 11 payments, having never billed for the services for March 2018. The remaining balance of the option year 3 obligation, approximately \$5,886, included the 12th month that was not billed (approximately \$5,833), plus the difference between the last unexplained amount billed and the higher monthly amount from option year 3 (approximately \$211). The FA stated that the contractor was contacted to submit the invoice in the amount of the remaining balance.

According to one of the FAs, the multiple issues with this option year were due to the former DMO's decision to increase this contract unilaterally. The vendor did not initiate this increase; the former DMO did so because the guards under this contract were complaining about their salaries.²² No documentation was filed in the contract file as evidence of the increases in the option year. OGAP was not informed of the increases and did not know what to pay to this vendor so the contract payment became chronically problematic. For option year 4, the post again increased the contract amount but the contractor was again not informed, and a balance of approximately \$607 was still pending.

Delegation of Additional Procurement Authority (DOPA) was not updated.

The DOPA signed for this contract was for the original amount of the contract, an estimated amount at that time of \$197,400 (base period of 1 year with four 1-year option periods).²³ The total actual value of the contract at the end of option year 4 was \$ 300,443, a total increase of

²² The contract file contained no evidence that the contract was amended to require contractor staff to be paid at a higher rate.

²³ At the same time the underlying contract was signed by the post and the contractor, both parties also signed a modification to "enable both parties to discuss possible contract amount increases to this contract at the end of each option period." Under the contract, the price agreed to for the base year and all option years was the same - \$39,480.

\$103,043 from the original amount. This increase was not established in an updated DOPA that required the following:

This delegation of authority extends to the award of any increases, insofar as the costs do not exceed the customary amounts or rates for those potential increases.

The former DMO who exercised the option years was not expressly included in the DOPA for this contract. Further, as explained above, the decisions to significantly increase this contract were not documented. The Office of Acquisition and Contract Management (OACM) stated that a DOPA is extended to all contracting officers at the post regardless of whether they are explicitly named in the DOPA. However, OACM concurred that a decision to increase this contract should have been documented as evidence that these increases did not exceed customary rates for this type of services as required in the DOPA (table 7).

Table 7: Option Years increased from original DOPA

Option	Period	Original Amount	Amount Exercised	Difference
Option 1	9/15-9/16	\$39,480	\$50,760	\$11,280
Option 2	9/16-9/17	\$39,480	\$68,103	\$28,623
Option 3	9/17-9/18	\$39,480	\$70,000	\$30,520
Option 4	9/18-9/19	\$39,480	\$72,100	\$32,620

Exercising contract options with significant increases must be supported by a contracting officer determination that the costs were fair and reasonable, and also the cost basis of this increase. The total value of the options that were exercised at an increased amount without support was \$210,203 USDE, which we considered to be questioned costs. By increasing the option years significantly without support, the contracting officer was not making a determination that exercising this option was in the best interest of the Peace Corps. Additionally, the action taken by this contracting officer held funds that could have been used to meet other critical mission needs.

We recommend:

- 48. That the director of management and operations report the unauthorized obligations to the Office of Acquisition and Contract Management and that the agency exercise its authorities to take corrective action, including collection of the unauthorized funds from the responsible individual(s).**
- 49. That the overseas contracting officer at the post ensure that all contract modifications executed at post are well supported in the contracting file and that increases in the price of the contract are detailed and also include an explanation on how the increased cost is fair and reasonable to the Peace Corps.**
- 50. That the Office of Acquisition and Contract Management ensure overseas contracting officers are reminded of the**

seriousness of exceeding DOPA authority and their responsibility for any costs they incur beyond their DOPA limits.

- 51. That the director of management and operations ensure that the obligations under this guard-service contract are properly closed.**
- 52. That the Office of Acquisition and Contract Management ensure that overseas contracting officers are trained in the process for exercising option years for existing contracts, including the need to update the Delegation of Additional Procurement Authority.**

OTHER MATTER OF CONCERN

The post did not fill-out time and attendance cards for approximately 44 personal services contractors for an entire year.

The local compensation plan (LCP) states the following:

Responsibility for Leave Records

The time and attendance (T&A) Clerk is responsible for the proper reporting of leave and making any required reports to the Financial Management Office. The T&A Clerk will maintain a copy of the T&A leave report. The American supervisor is responsible for the accuracy of the leave reported on the T&A cards which he/she approves.

The Financial Management Office will maintain leave records of individual employees. These records will be considered as the official leave files. As necessary, the Financial Management Office will provide instructions and forms to T&A Clerks.

The DMO informed us that the post filled out T&A cards from May 2018 to May 2019 retroactively. The issue was found when the post was reviewing PSCs' files for accuracy, in preparation for our audit. Additionally, as a corrective action, the DMO issued a timekeeping policy to ensure that the T&A cards are completed on a daily basis.

As part of our fieldwork, we observed that T&A cards were completed per pay period during our visit. Therefore, we determined that the post had already implemented the recommendation that we would have given if this problem had continued after May 2019.

We are concerned that the financial information for future severance amounts for these PSCs will not represent the actual amount owed due to potentially inaccurate T&A records. This is due to the fact that contractor final payments include a lump sum for unused annual leave.

QUESTIONED COSTS AND FUNDS TO BE PUT TO BETTER USE

We identified the following Questioned Costs.

Recommendation number	Description	Amount
19	Unsupported fuel purchases	\$376
34	Unsupported FTF Grant	\$800
20	Various untracked IT assets	\$17,194
22	Items disposed without authorization	\$87,832
23	Unauthorized Personal Phone Line for Staff Member	\$9,700
24	Unassigned Phone Lines	\$7,500
30	Unauthorized Payments	\$12,730
49	Unilateral Contract	\$210,203

We identified the following Funds to be Put to Better Use.

Recommendation number	Description	Amount
33	Uncollected Grant Funds	\$601
35	Uncollected FTF Grant Funds	\$643
26	VAT not claimed	\$32,961
11 and 12	Living Allowance Over/Under Collected	\$4,199

Consistent with the Inspector General Act of 1978,²⁴ as amended, **questioned costs and funds to be put to better use** are defined as follows:

- **Questioned costs** are costs that are questioned because of an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement or document governing expenditure of funds; a finding that, at the time of the audit, such cost is not supported by adequate documentation; or a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.
- **Funds to be put to better use** are funds that could be used more efficiently if management took actions to implement and complete the recommendation.

²⁴ Inspector General Act of 1978, § 5(f) (1)-(4), 5, U.S.C App.3

LIST OF RECOMMENDATIONS

We recommend:

1. That the director of management and operations implement a process to ensure that interim advances are liquidated within 3 days, that the process follows requirements in OFMH 13, and that records are kept for these advances as required in MS 892.
2. That the director of management and operations prepare an occasional money holder memorandum that includes the staff authorized as occasional money holder, and that it is maintained in the cashier's files, and updated as needed.
3. That the director of management and operations ensure that post's cashier, alternate cashiers, and sub-cashiers understand their record keeping responsibilities for outstanding interim advances.
4. That the country director ensure that the cash movement policy contains all the requirements listed in OFMH 13, is approved by the RSO, revised annually, and maintained as part of the cashier's files.
5. That the director of management and operations ensure that future discrepancies noted in the 365 report are properly documented and that the resolution process properly follows requirements listed in OFMH 13.
6. That the director of management and operations ensure that the cashier and the alternate cashiers have their own safes or a separate compartment in the same safe with its own combination code to conduct imprest operations.
7. That the director of management and operations monitor the cashier's cash transfers to ensure that alternate cashiers' access is current and cash counts are conducted before, during, and after the transfers of imprest control.
8. That the director of management and operations ensure all staff involved in the sub-cashiering operations receive training on how to properly account for sub-cashiers' advances including safeguarding and reconciliation procedures.
9. That the director of management and operations monitor the sub-cashiers' cash counts to ensure that they are conducted as scheduled in OFMH 13 (Exhibit C.10).
10. That the director of management and operations ensure that the training center sub-cashier's pass-through accounts is fully operational.
11. That the director of management and operations apply due diligence in collecting approximately \$3,379 USDE in overpaid living allowances.
12. That the director of management and operations apply due diligence in returning approximately \$820 in over-collected living allowances and uncollected bank account balances to Volunteers.

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13. That the director of management and operations assess the need for a memorandum of agreement with the Volunteers' banks in order to formalize the administration of Volunteer bank accounts.
14. That the director of management and operations adopt a Volunteer payment process with defined staff roles, and reliable documentation of calculations and communication related to the termination of Volunteers' service.
15. That the director of management and operations create a tracking tool to review departed Volunteers' bank accounts, confirm the accounts are closed, ensure the amounts calculated as overpayments for living allowances are accurate, and collect any debts owed.
16. That the director of management and operations implement a fuel card system.
17. That the director of management and operations ensure that cash fuel purchases are supported by valid vouchers and are properly authorized.
18. That the director of management and operations develop and implement a process for all satellite offices to monitor the usage of generator fuel.
19. That the director of management and operations work with the U.S. Embassy to correct all erroneous vehicle registrations.
20. That the director of management and operations work with the post's asset management team to correct records identified as erroneous or missing in the agency's asset management system.
21. That the director of management and operations implement a comprehensive asset management system training program for all relevant post staff based on their roles in the agency's asset management system.
22. That the director of management and operations make an effort to obtain itemized records of all property auctions from FY 2018 and FY 2019 and take action to correct asset management system records accordingly.
23. That the director of management and operations initiate action to collect from the staff member who maintained the unauthorized personal phone line approximately \$9,700 USDE for the billing of the phone line to the Peace Corps.
24. That the director of management and operations work with phone carriers to cancel all unauthorized phone lines and establish bilateral contracts with these service providers.
25. That the country director evaluate the need for a process of reconciling monthly phone bills for personal usage that includes the prevention of unauthorized phone line additions.
26. That the director of management and operations assemble the value added tax receipts and file a refund claim with the appropriate Ghana revenue authorities in accordance with local laws and regulations.

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27. That the director of management and operations provide training to staff about applicable value added tax exemptions, the process for claiming value added tax refunds from the appropriate Ghanaian authorities, and when a claim should be filed.
28. That the director of management and operations ensure that obligation documents for cash purchases are prepared, updated as necessary to reflect increases, and filed at the post.
29. That the director of management and operations direct the staff to prepare their travel vouchers and ensure staff are trained on all aspects of travel voucher submission.
30. That the country director ensure that authority is delegated to staff with the required knowledge and experience to perform the post's administrative functions, and that these delegations of authority are current and tailored to specific post needs.
31. That the post ensure that future security clearance re-certifications are requested in a timely manner and include these certifications in their individual personnel files.
32. That the director of management and operations ensure that short term contractors' security certifications are conducted prior to contract execution and in accordance with MS 732 and the Background Checks of Overseas Staff Guidance from the Office of Safety and Security.
33. That the director of management and operations apply due diligence in collecting approximately \$601 in unused grant funds.
34. That the director of management and operations instruct post management staff to track all current and future grants in PCGO, in compliance with Peace Corps policy.
35. That the director of management and operations ensure that the \$643 in unused grant funds are collected if the Volunteer does not intend to complete their project.
36. That the country director ensure that the post maintains inventory of all controlled substances.
37. That the country director and the Peace Corps medical officer both witness the destruction of all medical supplies in accordance with Peace Corps guidance.
38. That the country director ensure that the acceptance point clerk is receiving all medical supplies at the post in accordance with Peace Corps guidance.
39. That the director of management and operations designate a staff member as the post's billing officer.
40. That the director of management and operations ensure that all outstanding bills of collection are followed up in a timely manner and in accordance with Peace Corps policy.

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41. That the director of management and operations ensure that bills of collection and bill of collection voids are reviewed and signed by properly authorized individuals, and that this authority is removed timely when no longer needed.
42. That the director of management and operations ensure that bills of collection are maintained with all the required information.
43. That the director of management and operations review all users of Peace Corps information technology systems and update their forms to ensure that they have proper access to these systems.
44. That the post designate a second staff member as a backup user administrator and provide the necessary training.
45. That the country director ensure that the server room at the main facility is located in a place that cannot be easily accessed, including mitigating any physical vulnerabilities to the server room.
46. That the country director instruct the training center manager to ensure that the server room access is controlled.
47. That the director of management and operations ensure that offsite backups are properly safeguarded.
48. That the director of management and operations report the unauthorized obligations to the Office of Acquisition and Contract Management and that the agency exercise its authorities to take corrective action, including collection of the unauthorized funds from the responsible individual(s).
49. That the overseas contracting officer at the post ensure that all contract modifications executed at post are well supported in the contracting file and that increases in the price of the contract are detailed and also include an explanation on how the increased cost is fair and reasonable to the Peace Corps.
50. That the Office of Acquisition and Contract Management ensure overseas contracting officers are reminded of the seriousness of exceeding DOPA authority and their responsibility for any costs they incur beyond their DOPA limits.
51. That the director of management and operations ensure that the obligations under this guard-service contract are properly closed.
52. That the Office of Acquisition and Contract Management ensure that overseas contracting officers are trained in the process for exercising option years for existing contracts, including the need to update the Delegation of Additional Procurement Authority.

APPENDIX A: OBJECTIVE, SCOPE, AND METHODOLOGY

OBJECTIVES

We conducted this audit to determine whether the financial and administrative operations at Peace Corps/Ghana are functioning effectively and complying with Peace Corps policies and Federal regulations.

SCOPE

This audit was conducted between May and October 2019 at the Peace Corps headquarters in Washington, D.C. and at the overseas post location in Accra, Ghana. The scope period under review was October 1, 2013, through August 2, 2019.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Throughout the audit, auditors were aware of the possibility or existence of fraud, waste, or misuse significant to the audit objectives and conducted procedures designed to obtain reasonable assurance of detecting any such fraud as deemed appropriate.

METHODOLOGY

To obtain background information, we reviewed Federal laws and regulations as well as policies relating to Peace Corps financial and administrative operations, such as the Federal Acquisition Regulations, Peace Corps Manual, Overseas Financial Management Handbook, and Department of State's Cashier User Guide. Further, we provided questionnaires to Peace Corps headquarters and post managers to learn about post specific processes and risk areas.

We obtained Peace Corps/Ghana's financial information from the disbursement and BOC reports for October 1, 2013, through August 2, 2019.

We sorted the disbursement reports universe of 92,897 transactions and judgmentally selected samples by the following payment types:

- **Imprest Fund.** We reviewed 9 months of cash counts from September 2018 to April 2019, and June 2018. We also performed unannounced physical cash counts with the cashier, interviewed the cashier, and reviewed supporting documentation related to the cash count. We reviewed 25 advances from April 2018 to January 2019.
- **Fuel.** We selected a judgmental sample of 31 of 3,786 fueling transactions recorded in VMIS and reviewed corresponding receipts and vehicle logs. We analyzed the use of non-embassy vendors and also conducted an analysis of fuel tank capacity. We reviewed 11 fuel transactions during voucher testing. We checked the validity of VMIS information for all 18 vehicles at the post.

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- **International Cooperative Administrative Support Services (ICASS).** We compared the FY 2018 ICASS invoice to the ICASS agreement to ensure that the agreement complied with Peace Corps policy for allowable cost centers.
- **Personal Service Contractor:** We reviewed 6 of 68 long term contracts during the audit period; we also reviewed severance payments for 2 of the 6 selected. We reviewed contracts for 6 of 63 short-term PSC contracts. We reviewed contracts to determine if the payment made on the disbursement report matched the contracts. In addition, we reviewed documentation related to the contract files including time & attendance documents. We also reviewed PSC security certifications for 17 PSCs.
- **Medical Inventory and Transactions.** We reviewed 100 percent of the controlled (CS) and special designated (SD) inventory items. We sampled 6 disposal records. We reviewed 7 medical supply purchases during voucher testing and conducted additions testing by tracing 3 of these purchases to the disbursement report, receiving report, and the medical inventory records. We interviewed the APC, PCMO, and CD.
- **Volunteer Payments.** We selected a judgmental sample of 10 of 8,933 transactions to determine if the living allowances paid to Volunteers were consistent with the authorized amount. We analyzed final allowance calculations for 54 of the 276 Volunteers who concluded their service between October 2013 and May 2019. We reconciled collections for possible overpayments when Volunteers terminated their service early. We obtained bank account statements to verify if and when funds were collected and accounts closed. We reviewed the BOCs and readjustment allowance reports to determine if the collections were complete and accurate.
- **Grants.** We selected 32 of 338 closed and cancelled grant projects listed in PCGO and reviewed the disbursement report, project completion reports, and the project receipts. Additionally, we reviewed 5 of 127 FTF grants not in PCGO.
- **Property Management.** We performed a physical existence test for 17 out of 933 personal property items inventoried in the Sunflower inventory tracking system. We also examined entries in Sunflower of 7 items located at the post's training center. We selected 6 records of auction for examination. We conducted additions testing by tracing 13 invoices from purchase records to the entries in the Sunflower records and reviewed the receiving practices for 4 of these invoices. We reviewed 13 property payments during voucher testing. We interviewed the GSM, FA, ITS, and headquarters inventory management specialist regarding ordering and inventorying personal property.
- **Cell Phone Bills.** We reviewed 88 monthly cell phone bills for 3 of 5 accounts belonging to the post, spanning the period of April 2017 to September 2019. We reviewed an additional 12 months of phone bills for one of these accounts from March 2016 to March 2017.
- **Vouchers.** We sampled 61 paid vouchers. The 61 payments included transactions from facilities upgrades, medical, travel, trainings, conferences, generators, utilities, services, property, and general expenses. The transactions were selected because they were unusual, exceeded \$3,000 USDE, or had questionable vendors.
- **Lease Payments.** We reviewed 7 of the post's 15 leases established during the period of our audit. The leases were for the main office, USDH residences, and a third country national (PCMO) residence. We compared lease payments with lease agreements, and reviewed lease files to ensure that they included the required information.

In addition, we reviewed the BOCs report that had a universe of 1,205 collections from October 1, 2013, to May 14, 2019. Our BOCs review consisted of the following:

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- **Long Outstanding.** Based on the BOCs report, 64 outstanding collections over 30 days were identified. During field work, we interviewed staff about collection steps they had taken and reviewed the support for 8 of them.
- **VOIDS.** We reviewed 100 percent, for a total of 32 transactions. The documentation was reviewed in order to verify that there was support for voiding the BOC, a new BOC was created if necessary, the void was valid, and approval was obtained.
- **General Testing.** We tested a sample of 10 transactions. Our sample was based on unusual transactions, grants, and unused travel advances. We reviewed the supporting documentation to determine if the BOCs were accurately recorded, created in a timely manner, properly obligated, and adequately collected.

We also reviewed the following areas:

Budget: We reviewed the open obligations to determine if these obligations needed to be cancelled, and funds diverted for other uses.

Purchase and Travel Card Management: We reviewed 6 months of transactions in order to identify auto-closures, and interviewed the DMO to identify the reason for them. We also reviewed the manual logs when the DMO stated that access issues were the reason for the auto-closures.

IT: We reviewed the user access forms for the post's OdyWeb and FORPost systems to verify that the level of access matches the level of access granted. We also verified the physical controls of the server rooms and backup's process to determine how the post is safeguarding the electronic data.

USE OF COMPUTER-PROCESSED DATA

The Government Accountability Office's "Assessing the Reliability of Computer-Processed Data" defines reliability to mean that the data is "reasonably complete and accurate, meet[s] [its] intended purposes, and [is] not subject to inappropriate alteration."²⁵

During our audit, we relied on data extracted from the Peace Corps' financial system. We conducted limited accuracy testing of this data. During our sample testing, outlined in the methodology section above, we compared the financial system data to underlying source documentation to ensure consistency. We did not identify any discrepancies between the financial system data and the source documents reviewed. We did not test to ensure that the universe of data provided to us was complete.

However, our office uses independent auditors to annually audit the agency's financial statements. These auditors have determined that the financial statements were free from material misstatements and our auditors did not identify any material weaknesses in internal controls surrounding the financial statements. Therefore, in our professional judgement, we determined that the data was sufficiently reliable for the purposes of this report.

REVIEW OF INTERNAL CONTROLS

Internal controls relate to management's plans, methods, and procedures used to meet their mission, goals, and objectives. We took steps to assess internal controls related to the Peace Corps' overseas financial and administrative operations. For example, we reviewed the Peace

²⁵ GAO "Assessing the Reliability of Computer-Processed Data" at 8 (July 2009).

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Corps' "Overseas Financial Management Handbook" and interviewed key individuals on roles and processes related to disbursements and collections. Further, we met with Peace Corps management overseas and at headquarters who were responsible for oversight of post operations. We noted any issues we identified during our fieldwork in the "Audit Results" section of this report. Our recommendations, if implemented, should improve the agency's overseas financial and administrative operations.

APPENDIX B: LIST OF ACRONYMS

BOC	Bill of Collection
CD	Country Director
CO	Contracting Officer
COS	Close of Service
DMO	Director of Management and Operations
FA	Financial Assistant
GSM	General Services Manager
MS	Peace Corps Manual Section
OFMH	Overseas Financial Management Handbook
GAP	Global Accounts Payable
OIG	Office of Inspector General
OHS	Office of Health Services
PCMO	Peace Corps Medical Officer
PSC	Personal Services Contractor
FSN	Foreign Service National
USDE	United States Dollar Equivalent
FY	Fiscal Year
USDH	United States Direct Hire
CUG	Cashier User Guide
TG	Technical Guidance
OCFO	Office of the Chief Financial Officer
ACM	Acquisitions and Contract Management
FAR	Federal Acquisition Regulation
VMIS	Vehicle Management Information System
GAO	Government Accountability Office
OMB	Office of Management and Budget
ICASS	International Cooperative Administrative Support Services

APPENDIX C: CRITERIA USED TO SUPPORT ISSUES IN THE REPORT

PEACE CORPS REQUIREMENTS

OVERSEAS FINANCIAL MANAGEMENT HANDBOOK (OFMH)

OFMH 13.18.1 Interim Advances

Peace Corps Trainees, Volunteers, or staff may receive an interim advance to make a cash purchase when it is more economical or expeditious than making the payment by EFT, Purchase Card, or check. PSCs who receive Interim Advances are acting as Occasional Money Holders. A designation memo listing Post's Occasional Money Holders must be signed by the DMO and held in the Cashiers files. A Cashier may not take an interim advance from his/her own funds, see 13.11 for more information.

Issuing Interim Advances

The recipient fills out an interim advance form (Post-created form). The approver reviews and signs. The Cashier gets the recipient's signature confirming that the funds are received, disburses the funds to the recipient, and logs the advance in FOR Post. A paper interim advance form with wet signature is required and is held by the Cashier as part of his/her accountability.

The recipient of the funds is personally accountable for the funds until the advance is cleared (with receipts or repayment of funds).

Interim advances, which are temporary advances, must be cleared as quickly as possible. Posts are encouraged to clear interim advances within 72 hours (with a notification in FOR Post) and are required to clear within three business days. Staff must not take an interim advance on a Friday, without a business need to hold the funds over the weekend.

Clearing/Liquidation of Interim Advances

Interim advances must be cleared within three working days. The recipient must provide valid receipts to the admin staff member who will enter Prepare Disbursement(s) into FOR Post. After entry, the recipient brings the paperwork and any remaining cash to the Cashier during the next Cashier hours. After calculating any difference, the Cashier receives the remaining cash. The cashier will then enter the Disbursement(s) in FOR Post, clear the interim advance in FOR Post, mark the interim advance form "Void", and return the form to the recipient. No copies of the interim advance form may be held by the Cashier. The "voided" form is the recipient's proof that he/she turned in receipts/cash and no longer has this temporary debt to Peace Corps.

It is the responsibility of the cashier to monitor the clearance of interim advances and to notify the DMO if advances are not cleared within 3 days for direct follow-up action.

OFMH 66.3 Signature Authority

Overall management authority is provided to the Country Director in MS 114. In general, Country Directors are authorized to manage the administrative support requirements of posts, including fiscal obligation of funds, approval of payments and receipt of goods and services. These functions may and should be re-delegated, to assure that there is no conflict of interest and to provide for appropriate internal controls. This is normally done through a formal, written "standing" delegation to other staff with the

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required knowledge and experience to perform the responsibilities (some posts chose to issue "ad hoc" or "as needed" delegations but "standing" delegations are more effective and reduce paperwork at post).

OFMH 32.4.2 Financial Recordation in FOR Post

Posts must record obligations in FOR Post only when supported by documentation. It is important to note that obligations (except in very limited circumstances noted below) are not to be recorded in FOR Post until such time as a liability (obligation) has been incurred or accepted by an authorized individual. The entry in FOR Post must match the amount, name and fiscal coding that is displayed on the obligation document. Refer to specific guidance from CFO/BA for limited exceptions during a Continuing Resolution (CR).

OFMH 32.5 Obligation Increases

All increases to an obligation must be recorded in FOR Post and all FOR Post entries that increase an obligation need to be supported by a valid obligating document.

OFMH 13.6 Practices to Safeguard Funds

Develop and maintain a written cash movement policy/plan, to provide internal guidance for transferring funds between the bank and the Peace Corps office. The plan must include:

- The goal of reducing the frequency and amounts of cash being transported, where possible.
- Notice to the Cashier that private vehicles should not be used to transport cash.
- Notice that the Cashier should not be expected to transport cash if the RSO has determined that harm or robbery to the cashier may occur.
- Actions that the Cashier should take during transit if he/she has security concerns or if an incident should occur.
- Receive RSO approval of the plan.

Review the plan annually to take into account any changes in local conditions and, if changes are made, receive RSO approval again.

OFMH 13.21.2 Reporting an Out-of-Balance

Explained or Unexplained	Post immediately notifies in writing	Next steps	Notes
Explained	CD or DMO (whoever is not doing the verification).* Include reason in the "Explanation/Comment" section.	<p>Work with appropriate staff/offices to resolve.</p> <p>Within two business days, notify Peace Corps Cashiering team (cashiering@peacecorps.gov) and FMO.</p> <ul style="list-style-type: none"> • If <u>resolved</u> within the two days, include initial 365/99/COH and corrected 365/99/COH.** • If <u>not resolved</u>, include 365/99/COH and details on resolution/timing. 	If not resolved by the next unannounced 365 verification, an explained out-of-balance becomes a "Fiscal Irregularity". See 13.21.3.

OFMH 13 Exhibit C.10 Verification of Subcashier Funds

The Cashier Supervisor must ensure that unannounced verifications of the subcashier fund are conducted. Subcashier advances under \$1,000 USDE must be verified at least quarterly. Subcashier advances of \$1,000 USDE or more must be verified monthly.

OFMH 13 Exhibit C.4 Subcashier Responsibilities and Personal Liability

The subcashier will discuss with DMO and Principal Cashier how to safeguard his/her advance, including at the subcashier's site. Subcashiers should be aware of the fact that they personally accept responsibility for the funds received. Loss of funds through negligence or through improper disbursements is a personal responsibility.

OFMH 13 Exhibit C.8 Daily Reconciliation of Funds

Subcashiers should reconcile the operating fund daily using the Statement of Accountability form. The reconciliation consists of counting all cash on hand, totaling all interim advances, totaling receipts, and verifying that all cash expenditures are properly documented. The advance is reconciled when the paid receipts, interim advances and cash on hand equal the amount of the funds advanced from the Principal Cashier. The daily Statement of Accountability form should be saved (electronically or in paper) for 2 months.

OFMH 13 Exhibit C.5 Subcashier Responsibilities

A subcashier is responsible for:

* * * * *

5. Ensuring that the imprest fund is not intermingled with personal or other funds

OFMH 13.24.1 Verification

It is critical that imprest funds be monitored carefully, to assure that all funds are accounted for. Therefore, frequent verifications are required, as follows:

Daily:

The Cashier is required to do a daily 365 reconciliation. Per the FSC Cashier User Guide, Cashiers must save these reconciliation documents (365, 99, FOR Post Cash-on-hand), electronically or in paper, for two months.

OFMH 2.3.5 Bank MOAs (Memorandum of Agreement):

There are two Bank MOA templates:

1. "Bank MOA Template – Optional" – Most Posts use VICA to transfer individual EFTs to Volunteer bank accounts. The MOA is optional for these Posts. Posts should make a determination as to whether they need a MOA with their bank based on banking rules in-country and at that specific bank.
2. "Bank MOA Template – Consolidated Payment" – Posts without the capacity to do individual EFTs must use VICA to create a consolidated check or EFT. These Posts are required to have a signed MOA with their bank to document the rules for transfer and return of funds. (Post's process described in 2,3,4, above.)

OFMH 7.1 General Information

Posts must maintain separation of responsibilities in the performance of billing and collection to ensure that adequate internal controls are in place. The billings and collections process is a vulnerable area of Post management and it is essential that Post establish checks and balances to provide for sound funds control.

The same individual who performs the collection activities may not perform billing activities. The Director of Management and Operations (DMO) or the Financial Assistant normally serve as the Billing Officer. PSCs may serve as Billing Officers. Assignment of this responsibility should be properly documented, in writing, with a Delegation of Authority. The Peace Corps Cashier serves as the Collection Officer.

OFMH 7.2.3 Cashier Void of BOC

Entry

A BOC may be voided when the amount is incorrect, when it represents a duplicate entry, or when it contains another type of error. For corrections, the BOC re-entry must be made before voiding, unless insufficient funds are liquidated. The cashier should review the reason and entries. Then, the cashier should Void, selecting a reason and entering the BOC number of the duplicate or re-entry in the "Void Detail" field.

Approval

The DMO must approve all BOC Voids in FOR Post. DMOs will be alerted of BOC Voids awaiting approval on the Home Page Messages. Before approving a Void, the DMO must ensure that: 1) the re-entry has already been entered, or 2) that he/she sees the duplicate, or 3) that he/she understands the reason if it is voided for any other reason. If the duplicate or re-entry is for a different amount, an explanation is needed. The DMO should also ensure that the documentation is sufficient for someone else to clearly understand the Void.

OFMH 7.2.1 (2) Billing Steps

The Billing Officer performs the following tasks as soon as the debt is known, even if the exact amount isn't known*:

* * * * *

2. Save and print the BOC form from FOR Post.

- On the paper form, write the debtor's address, if appropriate.
- Attach a copy of any supporting documentation/letter to the BOC, if appropriate

* * * * *

*Note: For internal control reasons, BOCs are entered as soon as it is known that Peace Corps will be receiving funds, even if the exact amount is not known (for example, HCC or VAT). It is very important that this Bill be entered in FOR Post at the moment it is identified.

OFMH 7.2.2 Bill of Collection Review

* * * * *

3. Spot-check closed Billing files for complete paperwork.

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As needed, the Billing Officer must:

- Coordinate with the Cashier (collections officer) to receive and file:
 - o Copies of the General Receipt
 - o Cashier Voids
- Review the FOR Post "Outstanding Collections" report when clearing staff whose contracts are terminating or when they are departing Post for another assignment
- Review the FOR Post "Outstanding Collections" report at the end of service for Volunteers

Note: The Billing Officer must maintain the billing files while they are outstanding. Posts may choose to then move billing files to a central location when they are closed.

Monthly, the Billing Officer must:

1. Reconcile the BOC Log (from FOR Post) with the Billing Files.
 - Review outstanding BOCs in the FP BOC Log and compare to the Billing Files.
 - Review outstanding BOCs in the Billing Files and compare to the FP BOC Log.
 - Follow-up with the Cashier Supervisor if any discrepancies are found.
2. Review and follow-up on outstanding BOCs. Run the FOR Post "Outstanding Collections" report. Follow the steps below for BOCs outstanding 30, 60, or 90 days.

OFHM 66.3 Signature Authority:

Overall management authority is provided to the Country Director in MS 114. In general, Country Directors are authorized to manage the administrative support requirements of posts, including fiscal obligation of funds, approval of payments and receipt of goods and services. These functions may and should be re-delegated, to assure that there is no conflict of interest and to provide for appropriate internal controls. This is normally done through a formal, written "standing" delegation to other staff with the required knowledge and experience to perform the responsibilities (some posts chose to issue "ad hoc" or "as needed" delegations but "standing" delegations are more effective and reduce paperwork at post).

OFMH 66.4 Required Information for Vouchers (PC-2059)

Each payment voucher must have only one vendor associated with it. Vouchers may be coded to many different obligations as long as the vendor name, currency, and voucher exchange rate are the same.

* * * * *

5. Obligation documents. All obligating documents must be filed at Post. In some cases, a copy of the obligating document must also be sent to GAP invoice certification. See GAP Payment Requirements for details of which obligating documents must be sent.

OFHM 57.6 Travel Vouchers:

It is the responsibility of the traveler to personally prepare the travel voucher within 5 days of completion of the travel. The administrative unit reviews and approves the travel voucher.

The approved voucher will be used to clear the interim advance.

In-country vouchers do not need to be certified by Global Accounts Payable before entry in FOR Post.

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OFMH 66.6.11 Telephone Invoices

Treat telecommunication invoices the same as other utility invoices. See below for additional information on specific types of usage.

Peace Corps-paid telecommunication: These phones and calling cards are intended for official Peace Corps usage. Country Directors should make a determination on whether or not it is cost effective to bill staff for any unauthorized, personal calls. See MS 834.

PEACE CORPS MANUAL SECTION (MS)

MS 511 Personal Property Management Handbook 6.1 Accountable and Non-Accountable Assets

Accountable Personal Property Assets must be recorded in *Sunflower* and physically tagged with a Peace Corps bar code number. Non-accountable Assets are not required to be reported or tracked in the Asset Management System (*Sunflower*).

- (a) Accountable Asset Types. Accountable Assets are Nonexpendable Personal Property Assets and are deemed costly, easily pilfered, or contain sensitive data, specifically:
 - (1) \$2,500 or more: Assets with a Useful Life expectancy of over one year and an initial Acquisition Cost of \$2,500 or more.
 - (2) Recurring Cost Assets: Assets with an associated recurring cost that is paid for by Peace Corps for a support/cellular/data plan. Items include, but are not limited to, cell phones, smart phones, and tablets.
 - (3) Personally Identifiable Information (PII) Items: Any electronic asset authorized to contain PII. (See IPS 1-17 *Information Security Program*.)
 - (4) Pilferable Assets. Items deemed easily lost or stolen.
 - (5) Capital Leased Equipment: Equipment that is leased and meets the criteria of a Capital Lease (See MS 711 *Accounting for Property, Plant, and Equipment* for a definition.) For additional questions, contact the Office of the Chief Financial Officer's Office of Accounting and Financial Reporting (OCFO/AFR).

MS 511 Personal Property Management Handbook 4.0 Property Asset System of Record

Peace Corps has a single system of record to track and report on property Assets, called *Sunflower*.

Procured in 2016, *Sunflower* is a web-based property management software system used to manage and account for property at Peace Corps. Using software on a computer and on a handheld scanner, property managers and Inventory staff scan and manage property in their offices and at residences. The *Sunflower Users Guide* provides step-by-step instructions and screenshots for daily operation.

Sunflower is our system of record or asset management system. It is connected to Peace Corps purchasing system (Odyssey and FOR Post), online IT asset discovery systems (System Center and AirWatch) and the financial reporting system (Fixed Assets). These connections ensure property is managed and reported properly.

MS 511 Personal Property Management Handbook 15.2 (c)

- (a) To sell Peace Corps Assets that have Asset Records in *Sunflower* and which have been identified for Disposal:

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- (1) The Responsible Party must:
 - (i) Identify and explain the Condition of the property in *Sunflower*.
 - (ii) Make all local plans and schedules related to the sale.
 - (iii) Submit a request for the sale in *Sunflower*. The request for the sale must be submitted as soon as possible, but **not less than 10 business days in advance of the sale**. Complicated requests may take longer to review and posts and Offices are encouraged to submit requests early to avoid delays in the sale.

MS 511 Personal Property Management 6.0 Property Controls

Property controls for Peace Corps personal property must be utilized to ensure that assets are not lost, stolen, misused, or otherwise subjected to waste, fraud or abuse. The necessary property controls, which include operating methods and actions, to be used by employees vary by the type of personal property and are determined by the potential risk of financial or other damage to Peace Corps if the asset is lost, stolen, misused or otherwise subjected to waste, fraud or abuse. Property control procedures are contained in the Handbooks.

Peace Corps Ghana Standard Operating Procedure, Auction via Embassy:

- Once auction date determined:
 - Pull out auction items from container
 - Compare spreadsheet list with items – provide to embassy one week in advance of viewing
 - Verify photo taken – provide to embassy one week in advance of viewing
 - Request sale in Sunflower at least two weeks before auction (preferably 3)
 - If requesting sale for items that would not normally be auctioned (ie. Not within timeframe for disposal of specific item), prepare memo to upload in Sunflower with sale request
 - Prepare forms and spreadsheet to send to embassy Property Manager and AGSO
 - Provide list of names and any vehicles that will enter the auction grounds 5 days in advance of viewing date. Submit via Security – Visitors Access in My Services

MS 733 4.3 – Procedures

Each lease shall be prepared, signed and kept in the lease file maintained by the post CO.

One copy of all (real property) leases and subleases (including a copy of the primary lease) must be submitted to the Office of Administrative Services (M/AS), Peace Corps/Washington, within 30 days after the execution of the lease, together with the following information needed to fulfill General Services Administration (GSA) and Office of Management and Budget (OMB) reporting requirements:

* * * * *

MS 897 Attachment B-Policies and Practices for Storing, Retrieving, Accessing, Retaining, and Disposing of Records in the System

Data maintained electronically at the Peace Corps is on network servers and located in a locked room with physical access limited to authorized personnel.

MS 734.4 Definitions

Controlled substances are federally-regulated medicines included on the controlled substances schedules issued by the U.S. Drug Enforcement Administration (DEA).

Specially designated medical supplies are items that OHS deems to be high value, pilferable, or otherwise deserving of special attention. OHS is responsible for labeling particular medical supplies as specially designated.

MS 734.8 Inventory Control for Specially Designated and Controlled Substance Medical Supplies

A Medical Inventory System must be maintained by the MSICC at each post. It is the official record of specially designated or controlled substances at the post. The Medical Inventory Systems must record all specially designated and controlled substance medical supplies received, stocked, and distributed at post. TG 240 outlines the specific procedures for maintaining a Medical Inventory System.

MS 734.9.1 Destruction of Medical Supplies

Medical supplies (medicines, dressing material, laboratory reagents, test kits, birth control products, and vaccines, etc.) with expired shelf life or medications that have been returned to the Health Unit by [Volunteers/Trainees] must be destroyed in the presence of the PCMO and the CD, in accordance with local waste disposal and air and water pollution control standards

MS 734.5.4 Acceptance Point Clerk

The Acceptance Point Clerk (APC) is appointed by the CD and is responsible for receiving all medical supplies at post and coordinating initial inventory and transfer to the Medical Office. The APC works with both the Medical Supply Inventory Control Clerk (MSICC) and the PCMO to ensure that medical supplies are properly delivered and inventoried. The APC must not be a member of the Medical Office staff and cannot serve as the MSIC Clerk. Further, the APC may not perform the quarterly inventory of medical supplies.

MS 743.8.2 Security Certification for PSCs

The CD must request re-certification of a continuously employed PSC every five years in accordance with 12 FAM 420. Documentation of the security certification will be filed in the individual PSCs contract file at post.

MS 732.9.4.1 Security Investigation

Each PSC must undergo a suitability and security investigation by either the Regional Security Officer or OSS before a contract may be awarded. Peace Corps offers of personal services contracts and the continuation of personal services contracts following an award are contingent upon (i) successful completion of the suitability and security investigation, (ii) the receipt of a required security certification, and (iii) the maintenance of any required security certification.

For additional guidance and information, refer to the OCH which contains the Background Checks of Overseas Staff Policy document promulgated by the Information and Personnel Security Division within OSS.

MS 743.8.3 Suitability for Short-term PSCs

Prior to executing a Personal Services Contract with a host country resident for a contractual term of service of fewer than 260 work days (short-term PSC), the following administrative process must be completed and documented. The Contracting Officer must ensure that:

- (1) an appropriate check with relevant law enforcement entities concerning the proposed contractor is completed and documented;

* * * * *

- (3) the proposed contractor's name is submitted to the U.S. Embassy for Embassy Name Checks (no exterior checks); and

- (4) the Contracting Officer must review this information prior to contract execution.

MS 834 At Overseas Post

Country Directors should review itemized phone bills monthly. If an itemized phone bill is not available, Posts are strongly encouraged to install a computerized call accounting system. Information Resources Management (M/IRM) can provide guidance in the purchase.

MS 221 5.1 Volunteer Living Allowance Policy:

Volunteers are entitled to a living allowance in order that they may serve effectively and safely overseas. It is Peace Corps policy that Volunteers live modestly by the standards of the people they serve, yet not in a manner that would endanger their health or safety. Living allowances should be based on local living standards and costs and will thus vary among, and sometimes within, countries.

Each post should establish a base living allowance according to the categories outlined in Section 5.2. Supplements to the base living allowance may be added on a per Volunteer basis to cover housing, utilities, locality supplements, and Peace Corps Volunteer Leader supplements, as detailed in Section 5.3.

PCRVs receive a living allowance similar to other Volunteers in that country. Post may use an existing Volunteer survey to determine a PCRV living allowance or conduct a new survey if necessary.

MS 221 5.8 – Partial Payment for Close of Service Volunteers

Payments for close-of-service Volunteers must be adjusted before the final payment is authorized to ensure that the living allowance payments cover only the number of days the Volunteer served. In those cases where the termination date of an early termination is known in advance, calculation of the final living allowance payment must also be adjusted to cover through the last day of service. Where information is not known in advance, the overpayment must be collected from the Volunteer or deducted from the Volunteer's Readjustment Allowance.

MS 221 5.9 – Overpayments at End of Service

If direct collection is not possible, the Administrative Officer must request collection from the Volunteer's Readjustment Allowance.

MS 760 Overseas Imprest Management 8.0

In such cases, a formal transfer of funds, including imprest fund reconciliation, must be accomplished and the combination of the safe must be changed.

CASHIER USER GUIDE

Section 3.3.5.2.2 Planned Absences of More than 4 Days – Outgoing Cashier Present

During a planned absence of a principal cashier of more than 4 days, an unofficial transfer of accountability must take place. The specific steps to follow for an unofficial transfer of accountability are outlined below.

- * * * * *
2. A reconciliation of funds must be completed by the outgoing cashier and in the presence of the incoming cashier. The reconciliation must be identified specifically for the purpose of transfer of accountability.

* * * * *

 6. The outgoing cashier and incoming cashier must sign the transfer of accountability reconciliation.
 7. The outgoing cashier and incoming cashier receive copies of the signed reconciliation report to maintain in their cashier folders.

* * * * *

 10. The same unofficial transfer of accountability process must be completed when the outgoing cashier returns to duty. It must be documented and maintained in the same manner.

Section 4.3.2.1 Principal/Alternate Cashier Safe Requirements

U.S. Government approved combination safe or vault (Hamilton or Mosler) with manipulation resistant lock must be provided for the principal and alternate cashiers. The safe for both cashiers must be stored in the cashier office. At no time should a safe be stored in the cashier office that is not a part of the cashier's accountability (i.e. vouchering unit, travel card program). If the alternate cashier safe is located in their primary work space, the safe must be placed in a location that is not visible to others.

Section 5.3.2.2 Approval

Each voucher supporting a bona fide emergency payment must have written approval with signature from the principal officer (or by the individual to whom authority has been designated), written justification, and be marked "Approved for Emergency Payment" on the voucher. If the authority to approve emergency payments has been delegated, the individual delegated this authority cannot be the FMO, an authorized certifying officer or the cashier. Approval must be obtained prior to payment of the voucher by the cashier. The cashier is responsible for refusing to make payment if the proper approval has not been obtained. Any relevant documentation must be attached to the voucher as justification to support the payment.

OTHER PEACE CORPS GUIDANCE:

IPS 1-17 INFORMATION SECURITY PROGRAM

6.0 Cybersecurity and Privacy Control Policies

Information systems that process, store, or transmit Peace Corps data shall comply with all cybersecurity policies and applicable procedures listed in the Peace Corps Cybersecurity and Privacy Catalog.

6.1.1 Access Control (AC) Policy

In accordance with the AC Control system baseline defined by the system's categorization, system owner with the support of the ISSO will:

* * * * *

(d) Enforce separation of duties to minimize the potential of abuse of authorized privileges and help reduce the risk of malicious activity without collusion;

* * * * *

ODYWEB USER ACCESS RULES (2)

The DMO is normally both the FOR Post (User Admin) and the OdyWeb User Administrator. Post are encouraged to set up a 2nd OdyWeb User Administrator to cover when the primary User Administrator is absent. Post should ensure any user administrator understand the controls and responsibilities.

IT SPECIALIST HANDBOOK, SECTION 7.2.6, TAPE STORAGE

Both onsite and offsite tapes should be stored in a climate controlled, secure location. A fireproof safe is ideal, but not required. Under no circumstances should any of the tapes be stored in the server room at post; they must be kept in a separate location, except for the single tape currently in the tape drive of the server.

PEACE CORPS VEHICLE MANAGEMENT GUIDE 2.6 NEW VEHICLE INFORMATION

Please do the following after Post takes receipt of a new vehicle. If applicable, check for necessary papers for vehicle clearance. Record import tax exemption as a host country contribution. Fax or email M/AS/T a complete description of vehicle(s) received as well as copies of supporting documents. Accordingly, M/AS/T will issue a Peace Corps ID Number to each vehicle, which will be provided to the Post.

PEACE CORPS SMALL GRANTS PROGRAM HANDBOOK

Grant Closeout (II)(B) Returning Funds

As mentioned in the "Expending Grant Funds" section, PCVs should try to utilize any remaining grant funds to support or enhance their grant in line with its original goals and scope. If that is not possible, any remaining funds must be returned. In this case, the DMO should create a BOC to document that the funds were returned to post. The DMO will then submit the returned funds to Peace Corps headquarters through FORPost Web using the original payment obligation for the grant. For PCPP grants, when funds are returned, they will be placed in the global fund and allocated to future grants. For VAST, SPA, FTF, GEF, and, other applicable USAID-funded global grant programs posts are able to use the "recovered" budget authority to support additional grants.

PCVs must return unused grant funds to the post cashier. In extraordinary circumstances where the PCV cannot return the unused funds (e.g., early termination, medical separation, and post evacuation), post should work with OGAP and grant program staff to deduct the funds from the PCV's readjustment allowance as a debt owed to the Peace Corps. Per the Overseas Financial Management Handbook, Section 4.7, no funds should be deducted from a PCV's readjustment allowance without prior approval from the director of Volunteer and PCS Financial Services (VPS). Documentation of any funds returned should be uploaded into PCGO.

Monitoring, Evaluation, and Management of Post Grant Programs (I)(A) PCGO Database

At any given time, posts will typically have a large number of prospective and ongoing grants, spread across different funding sources and at different stages in the process. In order to effectively support PCVs and be accountable to internal and external audiences (including funding partners), it is critical that each post track the status of each grant from application to completion in the PCGO CRM database. Each project status change triggers an automatic message to the individual(s) responsible for engaging in the next step of the process, so it is important that statuses are changed promptly and in the proper order. Please see the PCGO Project Status Explanations and Flow Chart. In general, the small grants coordinator will be responsible for coordinating day-to-day monitoring and tracking; however, other staff may have licenses for the PCGO CRM database and may play a role in monitoring grants in the database. PCGO Dashboards and PCGO Reporting data using Pivot Tables and Charts can be a valuable tool for managing this process. Grants do not need to be tracked externally in a spreadsheet document or other programs; any data housed in PCGO can be exported to Excel for analysis.

BACKGROUND CHECKS OF OVERSEAS STAFF POLICY

Personal Services Contractors (PSCs)-General Guidance

* * * * *

Post may award a renewal contract or exercise an option for a PSC whose security certification has lapsed due to administrative delays on the part of the RSO PROVIDED that the PSC has submitted any required documentation and that post has requested a re-certification from the RSO within the specified timeframe as provided by the RSO or Embassy.

* * * * *

Non-US Citizen PSCS-Short-term (Contract period (s) of less than 260 work days each)

Initial Investigation:

The Contracting Officer must:

1. Ensure that an appropriate check with relevant law enforcement entities concerning the proposed PSC is completed and documented*,
2. Do due diligence in contacting listed references and former employers and document this information in the local contract file,
3. Submit the proposed PSC's name to the RSO for an Embassy "name check" through databases such as the Consular Section Visa Fraud database and the RSO's Surveillance Detection database, and
4. Review and approve this information prior to contract execution.

Should any derogatory information be developed in the course of the background check, the Contracting Officer must refer the case to the RSO for final adjudication before contract execution.

*NOTE: In most countries the individual PSC is able to request the police records check and should be required to provide this information to the Peace Corps. If that is not possible, the Contracting Officer should request that the RSO obtain the necessary records.

THE OVERSEAS CONTRACTING NEWSLETTER, ISSUE NO. 22

Contract Modifications:

With every modification you do to any contract, ensure you include a signed note in the contract file explaining the following three things:

- The purpose of the modification and the story behind why the contract is being modified at this time,
- Detailing any increased costs and the basis upon which you have determined those increased costs to be fair and reasonable, and
- A determination that doing the modification is in the best interests of the Peace Corps.

OTHER GOVERNMENT REQUIREMENTS:

THE STANDARDS FOR INTERNAL CONTROL IN THE FEDERAL GOVERNMENT 10.01

Management should design control activities to achieve objectives and respond to risks.

APPENDIX D: AGENCY RESPONSE TO THE PRELIMINARY REPORT



MEMORANDUM

To: Kathy Buller, Inspector General

Through: Angela Kissel, Chief Compliance Officer

From: Michelle K. Brooks, Chief of Staff
Johnathan Miller, Regional Director, Africa Operations
Gordon Brown, Country Director, Peace Corps/Ghana

Date: July 20, 2020

CC: Matthew McKinney, Deputy Chief of Staff/White House Liaison
Patrick Young, Associate Director, Office of Global Operations
Carl Sosebee, Senior Advisor to the Director
Timothy Noelker, General Counsel
Patrick Young, Associate Director, Office of Global Operations
Richard Swartz, Chief Financial Officer
Sonja Truehart-McKinney, Director, Acquisition and Contract Management
Adam Stalczyński, Chief Administrative Officer, Africa Operations
Eva Piszczek, Director, Global Accounts Payable
Karen Roberts, Director, Office of Gifts and Grants Management
Allison Campbell, Director of Management and Operations, Peace Corps/Ghana

Subject: Preliminary Report on the Audit of Peace Corps/Ghana (Project No. 19-AUD-06)

Enclosed please find the agency's response to the recommendations made by the Inspector General for Peace Corps/Ghana as outlined in the Preliminary Report on the Evaluation of Peace Corps/ Ghana (Project No. 19-AUD-06) given to the agency on June 5, 2020.

Recommendation 1

That the director of management and operations implement a process to ensure that interim advances are liquidated within 3 days, that the process follows requirements in OFMH 13, and that records are kept for these advances as required in MS 892.

Concur

Response: PC/Ghana has noted the issues with liquidating interim advances within three days and since the time of the audit work, has implemented updated guidance in accordance with OFMH 13.18.1 and MS 892.

Documents to be Submitted:

- Updated Interim Advance SOP
- Email to staff about the new process
- Examples of interim advances cleared according to guidance

Status and Timeline for Completion: September 2020

Recommendation 2

That the director of management and operations prepare an occasional money holder memorandum that includes the staff authorized as occasional money holder, and that it is maintained in the cashier's files, and updated as needed.

Concur

Response: In accordance with OFMH 13.18.1 PC/Ghana has created an occasional money holder (OMH) memorandum listing the designated OMHs at post and maintains that memorandum in the cashier files.

Documents Submitted:

- Signed Occasional Money Holder Memorandum
- Email to cashiering team concerning the need to keep the designation on file

Status and Timeline for Completion: September 2020

Recommendation 3

That the director of management and operations ensure that post's cashier, alternate cashiers, and sub-cashiers understand their record keeping responsibilities for outstanding interim advances.

Concur

Response: PC/Ghana understands its responsibility to ensure the cashier, alternate cashiers, and sub-cashiers keep accurate and up to date records for outstanding interim advances. Additionally, post has taken action to ensure that all interim advances include the recipient's signature.

Documents to be Submitted:

- Reminder to staff about their responsibilities under OFMH 13.18.1 regarding documentation of interim advances
- Examples of interim advances with the proper signatures and documentation

Status and Timeline for Completion: September 2020

Recommendation 4

That the country director ensure that the cash movement policy contains all the requirements listed in OFMH 13, is approved by the RSO, revised annually, and maintained as part of the cashier's files.

Concur

Response: PC/Ghana had noted the issue of keeping an updated cash movement policy and will work with post staff and the RSO to ensure the updated policy contains all the requirements listed in OFMH 13 is reviewed annually for accuracy.

Documents Submitted:

- Updated Cash Movement Policy approved by the RSO
- Email to staff about the need to keep the policy in the cashiering files

Status and Timeline for Completion: September 2020

Recommendation 5

That the director of management and operations ensure that future discrepancies noted in the 365 report are properly documented and that the resolution process properly follows requirements listed in OFMH 13.

Concur

Response: PC/Ghana understands the need to properly handle and report discrepancies in 365 reports and will follow the guidance listed in OFMH 13.21.2 regarding reporting to the Office of Global Accounts Payable and the guidance listed in MS 892 regarding maintaining imprest funds records for a year.

Documents to be Submitted:

- Email reminder to appropriate staff concerning the guidance in OFMH 13.21.2 and MS 892
- Proof of maintenance of imprest funds

Status and Timeline for Completion: September 2020

Recommendation 6

That the director of management and operations ensure that the cashier and the alternate cashiers have their own safes or a separate compartment in the same safe with its own combination code to conduct imprest operations.

Concur

Response: PC/Ghana has corrected the issue of the cashier and alternate cashiers having their own compartments in the same safe with their own combination code to conduct imprest fund operations.

Documents to be Submitted:

- Email reminder to appropriate staff concerning safe guidance
- Proof via photos of the new compartments

Status and Timeline for Completion: September 2020

Recommendation 7

That the director of management and operations monitor the cashier's cash transfers to ensure that alternate cashiers' access is current and cash counts are conducted before, during, and after the transfers of imprest control.

Concur

Response: PC/Ghana has corrected the cash transfer process to ensure daily reconciliations are conducted during the cash transfer period to mitigate any deficiencies that occurred during the alternate cashier tenure.

Documents to be Submitted:

- Email reminder to appropriate staff concerning the requirements in OFMH 13.24.1
- Proof of daily cashiering reconciliations

Status and Timeline for Completion: September 2020

Recommendation 8

That the director of management and operations ensure all staff involved in the sub-cashiering operations receive training on how to properly account for sub-cashiers' advances including safeguarding and reconciliation procedures.

Concur

Response: PC/Ghana recognizes the need for additional training for all staff involved in the sub-cashiering operations at post and has corrected the sub-cashiering errors noted in the audit.

Documents to be Submitted:

- Proof of sub-cashier staff training

Status and Timeline for Completion: September 2020

Recommendation 9

That the director of management and operations monitor the sub-cashiers' cash counts to ensure that they are conducted as scheduled in OFMH 13 (Exhibit C.10).

Concur

Response: PC/Ghana understands the need to monitor the sub-cashiers' cash counts to ensure that they are conducted and has corrected this post process in accordance with OFMH 13.

Documents to be Submitted:

- Email to appropriate staff regarding the need to conduct cash counts
- Proof of monthly cash verifications

Status and Timeline for Completion: September 2020

Recommendation 10

That the director of management and operations ensure that the training center sub-cashier's pass-through accounts is fully operational.

Concur

Response: PC/Ghana has corrected this issue to ensure that the sub-cashier offices have operational pass-through bank accounts and has begun to address the issue at the training center.

Documents to be Submitted:

- Email reminder to staff of the guidance concerning sub-cashier advances and appropriate actions
- Proof of the operational accounts for the training center

Status and Timeline for Completion: September 2020

Recommendation 11

That the director of management and operations apply due diligence in collecting approximately \$3,379 USDE in overpaid living allowances.

Concur

Response: PC/Ghana will work with the Office of Global Account Payable in an effort to collect the \$3,379 in overpaid living allowances to former Volunteers.

Documents to be Submitted:

- Email to OGAP with the detailed request
- Proof of agency efforts to collect the finds via email from HQ and any follow-up action necessary

Status and Timeline for Completion: September 2020

Recommendation 12

That the director of management and operations apply due diligence in returning approximately \$820 in over-collected living allowances and uncollected bank account balances to Volunteers.

Concur

Response: PC/Ghana will work with the Office of Global Account Payable in an effort to return the \$820 in overpaid living allowances to former Volunteers.

Documents to be Submitted:

- Email to OGAP with the detailed request
- Proof of agency efforts to collect the finds via email from HQ and any follow-up action necessary

Status and Timeline for Completion: September 2020

Recommendation 13

That the director of management and operations assess the need for a memorandum of agreement with the Volunteers' banks in order to formalize the administration of Volunteer bank accounts.

Concur

Response: PC/Ghana agrees that post should have greater access to Volunteer bank accounts so it is working on establishing a formal process with the bank used to service most of posts Volunteers to avoid inaccessibility issues moving forward.

Documents to be Submitted:

- Narrative on posts assessment of needs in relation to an MOA with the local bank
- New MOA with the local bank (if applicable)

Status and Timeline for Completion: September 2020

Recommendation 14

That the director of management and operations adopt a Volunteer payment process with defined staff roles, and reliable documentation of calculations and communication related to the termination of Volunteers' service.

Concur

Response: PC/Ghana is updating the Volunteer payment process to ensure follow-up on the end-of-service checklist, confirmation that bank accounts are closed and transparency on payments required from Volunteers to the agency.

Documents to be Submitted:

- Volunteer payment process, SOP
- Email to staff about the new SOP

Status and Timeline for Completion: September 2020

Recommendation 15

That the director of management and operations create a tracking tool to review departed Volunteers' bank accounts, confirm the accounts are closed, ensure the amounts calculated as overpayments for living allowances are accurate, and collect any debts owed.

Concur

Response: PC/Ghana is creating a spreadsheet to better review and manage departed Volunteers' bank accounts and confirm the accounts were closed correctly.

Documents to be Submitted:

- Volunteer bank account spreadsheet
- Email to appropriate to inform them of the new process

Status and Timeline for Completion: September 2020

Recommendation 16

That the director of management and operations implement a fuel card system.

Concur

Response: As noted in the audit PC/Ghana has already started to implement its own control on fuel purchases and usage, but due to the continued use of cash payments and hand-written receipts it remains difficult to end all fraud with the fuel payment system. Updated guidance on fuel purchases and a fuel care system are forthcoming from HQ. Until further HQ guidance is given to post, PC/Ghana will continue working towards a fuel card system.

Documents to be Submitted:

- Narrative on updates from post concerning the fuel card process
- New fuel card system, SOP

Status and Timeline for Completion: October 2020

Recommendation 17

That the director of management and operations ensure that cash fuel purchases are supported by valid vouchers and are properly authorized.

Concur

Response: PC/Ghana has taken steps to correct the issue of invalid cash fuel purchases through updated the review and authorization process for staff.

Documents to be Submitted:

- Cash fuel purchase process, SOP
- Email to appropriate staff about the process
- Examples of properly authorized cash fuel purchases

Status and Timeline for Completion: October 2020

Recommendation 18

That the director of management and operations develop and implement a process for all satellite offices to monitor the usage of generator fuel.

Concur

Response: PC/Ghana has developed and implemented a generator fuel log form at the training site and secured all tank inlets/outlets with padlocks and keys kept by the training coordinator. PC/Ghana has also changed the cash system of procuring fuel to Total fuel cards across all satellite offices and is in the process of implementing this system in the Accra main office. We are in the process of introducing a generator fuel work order form.

Documents to be Submitted:

- Contract with Total Ghana and samples of generator fuel logs.
- Pictures of secured inlet/outlet of generator fuel tank and external fuel tank.
- Sample of generator fuel work order form

Status and Timeline for Completion: October 2020

Recommendation 19

That the director of management and operations work with the U.S. Embassy to correct all erroneous vehicle registrations.

Concur

Response: PC/Ghana worked with the U.S. Embassy in Accra to correct all erroneous vehicle registrations pertaining to the Peace Corps vehicle fleet.

Documents to be Submitted:

- Narrative of discussions/action with U.S. Embassy staff
- Illustration of the corrected data in the Peace Corps Vehicle Management Inventory System

Status and Timeline for Completion: September 2020

Recommendation 20

That the director of management and operations work with the post's asset management team to correct records identified as erroneous or missing in the agency's asset management system.

Concur

Response: PC/Ghana has reviewed and corrected inventory recorded in Sunflower, the agency's asset management system.

Documents to be Submitted:

- Annual Sunflower report illustrating an accurate inventory assessment

Status and Timeline for Completion: September 2020

Recommendation 21

That the director of management and operations implement a comprehensive asset management system training program for all relevant post staff based on their roles in the agency's asset management system.

Concur

Response: PC/Ghana will work with the Office of Management to create a comprehensive asset management system training for all relevant post staff.

Documents to be Submitted:

- Sunflower training documentation
- Proof of staff training

Status and Timeline for Completion: October 2020

Recommendation 22

That the director of management and operations make an effort to obtain itemized records of all property auctions from FY 2018 and FY 2019 and take action to correct asset management system records accordingly.

Concur

Response: PC/Ghana recognizes the importance of following the guidance on all auctions and has corrected the practice of submitting the sale in Sunflower so all items are properly tracked. Additionally, post is reviewing records to obtain documentation from all property auctions in FY2019 and FY2019.

Documents to be Submitted:

- Itemized records from FY2018 and FY2019 property auctions

Status and Timeline for Completion: September 2020

Recommendation 23

That the director of management and operations initiate action to collect from the staff member who maintained the unauthorized personal phone line approximately \$9,700 USDE for the billing of the phone line to the Peace Corps.

Concur

Response: PC/Ghana initiated steps and has collected from staff member who maintained the unauthorized personal phone an amount of GHS52,865.00 (USDE9,700).

Documents to be Submitted:

- Authorized terminal benefit calculation sheet demonstrating the subtraction of funds owed to Peace Corps
- Payment documents including Non Cashier Liquidation documents

Status and Timeline for Completion: September 2020

Recommendation 24

That the director of management and operations work with phone carriers to cancel all unauthorized phone lines and establish bilateral contracts with these service providers.

Concur

Response: PC/Ghana has cancelled all unauthorized phone lines with phone carriers and has transferred all authorized cell phone numbers from Vodafone to MTN and has reconciled the Vodafone account.

Documents to be Submitted:

- Emails and signed bilateral contracts
- Updated Phone Policy
- Vodaphone and MTN phone bills and phone number listing of staff members demonstrating a large reduction in the number of phone lines being charged to Peace Corps

Status and Timeline for Completion: September 2020

Recommendation 25

That the country director evaluate the need for a process of reconciling monthly phone bills for personal usage that includes the prevention of unauthorized phone line additions.

Concur

Response: PC/Ghana in a draft bilateral contract has specified the authorized representative to request for additional phone lines. The authorized representative is the Director of Management and Operations. PC/Ghana has also subscribed to call and data plans for staff based on their level of engagement with various stakeholders. PC/Ghana shall maintain documentation of staff who are issued Government owned phones with the phone numbers, the monthly subscribed plan amount to assist reconcile monthly bills for personal usage. Post shall identify a designated staff (General Services Assistant) to perform this function.

Documents to be Submitted: Bilateral contract, documentation of staff with phone numbers and subscribed plan amount

Status and Timeline for Completion: September 2020

Recommendation 26

That the director of management and operations assemble the value added tax receipts and file a refund claim with the appropriate Ghana revenue authorities in accordance with local laws and regulations.

Concur

Response: PC/Ghana will file a refund claim with the appropriate Ghana revenue authorities to receive the value added tax exemption owed to post.

Documents to be Submitted:

- Proof of refund request from post to the appropriate Ghana revenue authority office

Status and Timeline for Completion: September 2020

Recommendation 27

That the director of management and operations provide training to staff about applicable value added tax exemptions, the process for claiming value added tax refunds from the appropriate Ghanaian authorities, and when a claim should be filed.

Concur

Response: PC/Ghana will provide training to the appropriate staff on the value added tax process and how to request it from the Ghanaian government authorities.

Documents to be Submitted:

- Content of VAT training
- Proof of training

Status and Timeline for Completion: October 2020

Recommendation 28

That the director of management and operations ensure that obligation documents for cash purchases are prepared, updated as necessary to reflect increases, and filed at the post.

Concur

Response: PC/Ghana has corrected the obligation process for cash purchases and following guidance from OFMH 32.5 ensures that all obligations are now recorded in FORPost.

Documents to be Submitted:

- Email reminder to appropriate staff concerning OFMH 32.5 guidance
- Proof of obligation recording in FORPost

Status and Timeline for Completion: September 2020

Recommendation 29

That the director of management and operations direct the staff to prepare their travel vouchers and ensure staff are trained on all aspects of travel voucher submission.

Concur

Response: PC/Ghana has corrected the travel voucher process via a staff training to ensure that all travel payments include a corresponding travel voucher.

Documents to be Submitted:

- Reminder to staff about the guidance OFMH 57.5 concerning travel vouchers
- Examples of travel voucher submission
- Proof of staff training

Status and Timeline for Completion: September 2020

Recommendation 30

That the country director ensure that authority is delegated to staff with the required knowledge and experience to perform the post's administrative functions, and that these delegations of authority are current and tailored to specific post needs.

Concur

Response: PC/Ghana has corrected the issue of authorizing payments without a proper delegation of authority. All post staff with the authority to authorize payments have a delegation of authority on file and are aware of their duties under that delegation.

Documents to be Submitted:

- Copies of all DOAs for PC/Ghana
- Email reminder to appropriate staff concerning DOA responsibilities in OFMH section 66.3

Status and Timeline for Completion: September 2020

Recommendation 31

That the post ensure that future security clearance re-certifications are requested in a timely manner and include these certifications in their individual personnel files.

Concur

Response: PC/Ghana understands the importance of requesting security clearance re-certifications and keeping the certifications in employee personnel files. This issue has been corrected at post.

Documents to be Submitted:

- Proof of on time security clearance re-certifications
- Email to appropriate staff to remind them of the duties re-certification duties under MS 732

Status and Timeline for Completion: September 2020

Recommendation 32

That the director of management and operations ensure that short term contractors' security certifications are conducted prior to contract execution and in accordance with MS 732 and the Background Checks of Overseas Staff Guidance from the Office of Safety and Security.

Concur

Response: PC/Ghana has corrected this issue and the Director of Management and Operations now reviews security certifications prior to all PSC staff being hired.

Documents to be Submitted:

- Updated PSC hiring procedures
- Proof of completed security certifications ahead of hiring

Status and Timeline for Completion: September 2020

Recommendation 33

That the director of management and operations apply due diligence in collecting approximately \$601 in unused grant funds.

Concur

Response: PC/Ghana will work with the Office of Global accounts Payable to apply due diligence in collecting \$601 in unused grant funds.

Documents to be Submitted:

- Email to OGAP with the detailed request
- Proof of agency efforts to collect the finds via email from HQ and any follow-up action necessary

Status and Timeline for Completion: September 2020

Recommendation 34

That the director of management and operations instruct post management staff to track all current and future grants in PCGO, in compliance with Peace Corps policy.

Concur

Response: PC/Ghana has taken corrective action on this issue and reminded staff of their responsibilities per the Peace Corps Small Grants Program handbook to track all grants in the Peace Corps Grants Online (PCGO) system. However, one item to note is that this issue was specifically with a Feed the Future grant under the purview of SPIGA.

Documents to be Submitted:

- Email reminder to staff about PCGO guidance
- Proof of tracked grants in PCGO

Status and Timeline for Completion: September 2020

Recommendation 35

That the director of management and operations ensure that the \$643 in unused grant funds are collected if the Volunteer does not intend to complete their project.

Concur

Response: PC/Ghana will work with the Office of Global accounts Payable to apply due diligence in collecting \$643 in unused grant funds. However, one item to note is that this issue was specifically with a Feed the Future grant under the purview of SPIGA.

Documents to be Submitted:

- Email to OGAP with the detailed request
- Proof of agency efforts to collect the finds via email from HQ and any follow-up action necessary

Status and Timeline for Completion: September 2020

Recommendation 36

That the country director ensure that the post maintains inventory of all controlled substances.

Concur

Response: PC/Ghana has corrected this practice and is now in line with MS 734 guidance for maintaining proper inventory of all controlled substances.

Documents to be Submitted:

- Reminder email to staff about the inventory guidance in MS 734
- Examples of completed inventory sheets

Status and Timeline for Completion: September 2020

Recommendation 37

That the country director and the Peace Corps medical officer both witness the destruction of all medical supplies in accordance with Peace Corps guidance.

Concur

Response: The Country Director has always signed off of the destruction of medical supplies, but has updated post process in accordance with MS 734 to be present for all medical supply destruction as well.

Documents to be Submitted:

- Reminder email to staff about the medical destruction guidance in MS 734

Status and Timeline for Completion: September 2020

Recommendation 38

That the country director ensure that the acceptance point clerk is receiving all medical supplies at the post in accordance with Peace Corps guidance.

Concur

Response: PC/Ghana has corrected this practice and informed staff of the appropriate process as detailed in MS734. The Acceptance Point Clerk (APC) now receives all medical supplies at post and coordinates the initial inventory and transfer of the supplies to the Medical Office.

Documents to be Submitted:

- Email to the APC to confirm they are aware of their duties as outlined in MS 734

Status and Timeline for Completion: September 2020

Recommendation 39

That the director of management and operations designate a staff member as the post's billing officer.

Concur

Response: PC/Ghana has updated post practice to be in line with OFMH 7.2.2 guidance and designated a financial assistant as the post's billing officer.

Documents to be Submitted:

- Email from staff member confirming their understanding of the billing officer duties
- Revised Statement of Work designating a billing officer

Status and Timeline for Completion: September 2020

Recommendation 40

That the director of management and operations ensure that all outstanding bills of collection are followed up in a timely manner and in accordance with Peace Corps policy.

Concur

Response: The newly appointed Billing Officer has helped post correct this issue by following up on outstanding bills of collection in accordance with Peace Corps policy.

Documents to be Submitted:

- Examples of approved BOCs in FORPost

Status and Timeline for Completion: September 2020

Recommendation 41

That the director of management and operations ensure that bills of collection and bill of collection voids are reviewed and signed by properly authorized individuals, and that this authority is removed timely when no longer needed.

Concur

Response: Bills of collection and bills of collection voids are now reviewed and signed by the Director of Management and Operations.

Documents to be Submitted:

- Email to appropriate staff to ensure the team is aware of the process
- Email to staff highlighting the guidance in OFMH section 7.2.1
- Examples of signed BOCs and signed voided BOCs

Status and Timeline for Completion: September 2020

Recommendation 42

That the director of management and operations ensure that bills of collection are maintained with all the required information.

Concur

Response: PC/Ghana has corrected this practice to ensure that all supporting documentation is attached to the BOC to adhere to a complete and accurate billing process.

Documents to be Submitted:

- Email to staff of the requirements in OFMH 7.2.1
- Examples of corrected BOCs

Status and Timeline for Completion: September 2020

Recommendation 43

That the director of management and operations review all users of Peace Corps information technology systems and update their forms to ensure that they have proper access to these systems.

Concur

Response: PC/Ghana has reviewed access to OdyWeb and updated viewer and access controls in accordance with IPS 1-17.

Documents to be Submitted:

- Illustration of updated access in OdyWeb

Status and Timeline for Completion: September 2020

Recommendation 44

That the post designate a second staff member as a backup user administrator and provide the necessary training.

Concur

Response: PC/Ghana has corrected the OdyWeb backup administer issue by updated the Country Director's access to the module so now both the Director of Management and Operations and the Country Director can access and edit OdyWeb.

Documents to be Submitted:

- Proof of updated access for the CD in OdyWeb

Status and Timeline for Completion: September 2020

Recommendation 45

That the country director ensure that the server room at the main facility is located in a place that cannot be easily accessed, including mitigating any physical vulnerabilities to the server room.

Concur

Response: PC/Ghana has initiated a process of moving the biometric door lock directly outside the doors to the office with the server to directly outside the server room and is reinforcing the doors to the server room per the auditors recommendations.

Documents to be Submitted:

- Submission of a completed approved Micro purchase form and work order.
- Email confirmation with a photo of completed work from the General Services Manager.

Status and Timeline for Completion: October 2020

Recommendation 46

That the country director instruct the training center manager to ensure that the server room access is controlled.

Concur

Response: PC/Ghana has corrected this control issue by no longer keeping the key to the access room in the door and instead keeping it in a staff only location.

Documents to be Submitted:

- Email from staff confirming the updated access process for the training center and acknowledging their duty to keep it secured per MS 897.

Status and Timeline for Completion: September 2020

Recommendation 47

That the director of management and operations ensure that offsite backups are properly safeguarded.

Concur

Response: PC/Ghana has corrected this issue by purchasing a safe with a lock for the Director of Management and Operations residence.

Documents to be Submitted:

- Proof of safe in DMO residence

Status and Timeline for Completion: September 2020

Recommendation 48

That the director of management and operations report the unauthorized obligations to the Office of Acquisition and Contract Management and that the agency exercise its authorities to take corrective action, including collection of the unauthorized funds from the responsible individual(s).

Concur

Response: PC/Ghana will do its due diligence in reporting the unauthorized obligations to the Office of Acquisition and Contract Management to take corrective action on the obligations.

Documents to be Submitted:

- Emails to OACM about the issue and guidance from OACM on next steps
- Proof of action taken by OACM

Status and Timeline for Completion: October 2020

Recommendation 49

That the overseas contracting officer at the post ensure that all contract modifications executed at post are well supported in the contracting file and that increases in the price of the contract are detailed and also include an explanation on how the increased cost is fair and reasonable to the Peace Corps.

Concur

Response: PC/Ghana recognizes the issues highlighted in the audit concerning posts contracting practice and has since taken corrective action to mitigate future issues.

Documents to be Submitted:

- Examples of contract modifications that follow the guidance set forth in OFMH 32.4.2
- Email reminder to appropriate staff concerning overseas contracting guidance

Status and Timeline for Completion: September 2020

Recommendation 50

That the Office of Acquisition and Contract Management ensure overseas contracting officers are reminded of the seriousness of exceeding DOPA authority and their responsibility for any costs they incur beyond their DOPA limits.

Concur

Response: A Delegation of Additional Procurement Authority (DOPA) is discussed in Section 10.2 of the Overseas Contracting Handbook Chapter titled Roles and Authorities, and is applicable when a contract is initially awarded with a value exceeding the Overseas Contracting Officer's (OCOs) Warrant authority. When the Overseas Contracting Officer (OCO) Warrant thresholds were increased in early 2019, OCOs were given Unlimited Authority for modifications to all existing contracts. OACM will remind staff that a decision to increase contract amounts must be documented to ensure increases do not exceed customary rates for service categories as required in the DOPA.

OCFO/ACM will remind all OCOs of the importance of seeking a DOPA before awarding a contract above their OCO warrant limits in an upcoming OCFO/ACM Overseas Contracting Newsletter.

Documents to be Submitted:

- OCFO/ACM Overseas Contracting Newsletter with DOPA reminder

Status and Timeline for Completion: November 2020

Recommendation 51

That the director of management and operations ensure that the obligations under this guard-service contract are properly closed.

Concur

Response: PC/Ghana recognizes the issues raised by the audit team concerning a former leadership decision to increase the guard contracts outside of the proper process. Post is working on corrective action to ensure the obligations under the guard service contract are properly closed out and that this issue does not occur again.

Documents to be Submitted:

- Proof of proper close out of the guar-service contract
- Email to staff concerning the process for exercising option years in contracts

Status and Timeline for Completion: September 2020

Recommendation 52

That the Office of Acquisition and Contract Management ensure that overseas contracting officers are trained in the process for exercising option years for existing contracts, including the need to update the Delegation of Additional Procurement Authority.

Concur

Response: OCO Warrant thresholds, as discussed in Section 10.1 of the Overseas Contracting Handbook Chapter titled Roles and Authorities, “are based on the total value of the contract including the base period and all option periods (if any).” As a result, although an OCO may need a DOPA prior to awarding a new contract with a value (including the base and all option periods, if any) that exceeds their OCO Warrant threshold for that contract type, they do not need to request or receive a DOPA prior to exercising an option on any contract. OCFO/ACM will remind all OCOs of the importance of seeking a DOPA before awarding a new contract above their OCO warrant limits in an upcoming OCFO/ACM Overseas Contracting Newsletter, and additional instructions (or point to existing instructions in the Overseas Contracting Handbook) for exercising options on existing contracts.

Documents to be Submitted:

- OCFO/ACM Overseas Contracting Newsletter with DOPA reminder
- Additional instructions for exercising options on existing contracts

Status and Timeline for Completion: November 2020

APPENDIX E: OIG COMMENTS

Management concurred with all 52 recommendations. In its response, management described actions it is taking or intends to take to address the issues that prompted each of our recommendations. The 52 recommendations remain open pending a copy of documentation listed in the agency's response.

We wish to note that in closing recommendations, we are not certifying that the region or post has taken these actions, nor that we have reviewed their effect. Certifying compliance and verifying effectiveness are management's responsibilities. However, when we feel it is warranted, we may conduct a follow-up review to confirm that action has been taken and to evaluate the impact.

APPENDIX F: AUDIT COMPLETION AND OIG CONTACT

AUDIT COMPLETION

This audit was conducted under the direction of Assistant Inspector General for Audit Judy Leonhardt by Senior Auditor Maritza Padilla and Program Analyst Daniel Pitts.



OIG CONTACT

If you wish to comment on the quality or usefulness of this report to help us strengthen our product, please contact Assistant Inspector General for Audit Judy Leonhardt at jleonhardt@peacecorpsoig.gov or 202.692.2914.

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

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

Contact OIG


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Toll-Free (U.S. only): 800.233.5874

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Online Reporting Tool: peacecorps.gov/oig/contactoig

Mail: Peace Corps Office of Inspector General
1275 First Street NE
Washington, DC 20526

For General Information:

Main Office: 202.692.2900
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