Office of Inspector General

Office
202.692.2900
peacecorps.gov/OIG
OIG Reports

Hotline
202.692.2915 ǀ 800.233.5874
Online Contact Form
OIG@peacecorps.gov

To: Carrie Hessler-Radelet, Acting Director
Stacy Rhodes, Chief of Staff/Chief of Operations
Daljit Bains, Chief Compliance Officer

From: Kathy A. Buller, Inspector General

Date: November 21, 2013

Subject: Final Audit Report: Peace Corps Overseas Staffing (IG-14-01-A)

Transmitted for your information is our final report on the Audit of Peace Corps Overseas Staffing.

Management concurred with all 13 recommendations. All recommendations remain open pending confirmation from the chief compliance officer that the documentation identified in management's response has been received. In its response, management described actions it is taking or intends to take to address the issues that prompted each of our recommendations. We wish to note that in closing recommendations, we are not certifying that the agency has taken these actions or that we have reviewed their effect. Certifying compliance and verifying effectiveness are management's responsibilities. Our comments, which are in the report as Appendix C, address these matters. Please respond with documentation to close the remaining open recommendation within 90 days of receipt of this memorandum.

You may address questions regarding follow-up or documentation to Assistant Inspector General for Audit Bradley Grubb at 202.692.2914 or to Lead Auditor Rebecca Underhill at 202.692.2351.

Please accept our thanks for your cooperation and assistance in our review.

Attachment

cc: Elisa Montoya, White House Liaison/Senior Advisor to the Director
Carlos Torres, Acting Associate Director for Global Operations
Bill Rubin, General Counsel
Earl Yates, Associate Director, Office of Management
Gary Stanberry, Deputy Associate Director, Office of Management
Karen Bickle, Director, Human Resources Management
Dick Day, Regional Director, AF
Nina Favor, Acting Regional Director, IAP
Kathy Rulon, Acting Regional Director, EMA
Adrienne Jones, Deputy Director, Human Resources Management
Patricia Barkle, Deputy Chief Compliance Officer

Peace Corps
Office of Inspector General

Final Audit Report:
Peace Corps Overseas Staffing
IG-14-01-A

November 2013

EXECUTIVE SUMMARY

BACKGROUND
On November 21, 2011, the President signed into law the Kate Puzey Peace Corps Volunteer Protection Act of 2011 (Kate Puzey Act). [1] This Act requires the agency to provide comprehensive sexual assault risk reduction and response training to Volunteers and implement a comprehensive sexual assault policy. The Act also requires the agency to undertake a series of reforms including enhanced: Volunteer feedback mechanisms, monitoring and evaluation, performance appraisal, and other efforts to improve Volunteer safety and security and the Peace Corps' response to victims of sexual assault. The Kate Puzey Act requires the Peace Corps Office of Inspector General (OIG) to assess agency compliance with these changes.

OIG must provide to Congress[2] by November 21, 2013, reports on the status of the Kate Puzey Act implementation:[3]

1. An evaluation of the effectiveness and implementation of the sexual assault risk-reduction and response training.
2. An evaluation of the effectiveness and implementation of the sexual assault policy, including a case review of a statistically significant number of cases.
3. A report describing how Peace Corps representatives are hired, terminated, and how Peace Corps representatives hire staff, including an assessment of the implementation of performance plans.

OBJECTIVES
The objectives of this audit were to: (1) determine how country directors (CDs) are hired, terminated, and how overseas staff are hired; and (2) assess how CDs are evaluated, including how the performance plans mandated by the Kate Puzey Act have been implemented and how Volunteer feedback provided in the Annual Volunteer Survey (AVS)[4] was considered.

RESULTS IN BRIEF
Hiring of Overseas Staff. While the agency has been able to staff post management positions, it struggled to maintain a robust pool of qualified applicants and ensure positions are filled in a timely manner. These issues occurred because the agency did not:

- Develop an overarching timeline for the hiring process and maintain a master calendar to manage when post senior staff positions will become available.

---

[1] Kate Puzey Peace Corps Volunteer Protection Act of 2011, Pub. L. No. 112-57, 125 Stat. 736 (2011).
[2] OIG must provide reports to the Committees on Foreign Relations and Appropriations of the Senate and the Committees on Foreign Affairs and Appropriations of the House of Representatives.
[3] Pursuant to the Kate Puzey Act, in November 2012, OIG provided Congress with a report on allegations or complaints received from Volunteers relating to misconduct, mismanagement, or policy violations of Peace Corps staff, any breaches of the confidentiality of Volunteers, and any actions taken to assure the safety of Volunteers who provide such reports. OIG is required to submit such reports biennially through September 30, 2018.
[4] AVS is an annual anonymous survey of currently serving Volunteers to help the agency assess progress towards its goals and identify areas for improvement.

- Establish effective communications or coordination between the Office of Overseas Recruitment, Selection, and Support (ORSS) and the three regions to determine what specific qualifications are needed to fill the upcoming vacancies.
- Establish a feedback process on the quality of the pre-screening process.
- Utilize a set schedule for candidate roster development, issuance, and maintenance.
- Implement consistent procedures for the director of management and operations (DMO) and director of programming and training (DPT) interview hiring process.
- Adequately plan for transfers and unexpected vacancies.

Performance Plans and Appraisals. CDs and other post senior staff are provided performance plans on an annual basis. However, the data provided by the agency concerning CD appraisals after the passage of the Kate Puzey Act was insufficient to conclude that all CDs had adequate appraisals conducted as required by law. We reviewed performance plans and appraisals for a sample of CDs, DMOs, and DPTs. Of the performance plans and appraisals reviewed, OIG noted that:

- Performance plans and appraisals did not clearly consider AVS data;
- Performance appraisals were inconsistent in format and scope; and
- Performance plans and appraisals were not conducted in timely manner.

In addition, the process for conducting performance appraisals was lacking adequate oversight and specific direction for how to consider different levels of input. The current performance appraisal system lacks the ability to differentiate between mediocre and exceptional employees and does not provide specific guidance and training to rating officials.

CD Terminations. While termination is rarely pursued against CDs, there is no guidance on how regional directors (RDs) should pursue this option or what offices should be involved in the decision making process.

RECOMMENDATIONS
Our report contains 13 recommendations, which, if implemented, should strengthen the agency's compliance with the Kate Puzey Act and provide better controls and oversight for the hiring, performance appraisal, and termination processes.

TABLE OF CONTENTS

BACKGROUND AND AUDIT OBJECTIVES

The Kate Puzey Act
On November 21, 2011, the President signed into law the Kate Puzey Act. The Act was named in honor of Kate Puzey, a Peace Corps Volunteer who died while serving in Benin in 2009. This Act established requirements for the agency to provide comprehensive sexual assault risk-reduction and response training to Volunteers, develop a sexual assault policy, and undertake other related efforts to enhance Volunteer safety and security and the Peace Corps' response to victims of sexual assault. The Kate Puzey Act requires the agency to establish performance plans with performance elements for Peace Corps representatives that incorporate consideration of Volunteer feedback.

OIG Reporting Requirements in the Kate Puzey Act
To fulfill oversight requirements, OIG must report to Congress by November 21, 2013, on the status of the Kate Puzey Act implementation.[5] OIG is providing the following in three reports:

1. An evaluation of the effectiveness and implementation of the sexual assault risk-reduction and response training.
2. An evaluation of the sexual assault policy, including a case review of a statistically significant number of cases.
3. A report describing how Peace Corps representatives are hired, how Peace Corps representatives are terminated, and how Peace Corps representatives hire staff, including an assessment of the implementation of performance plans.

This report fulfills the requirement to describe how Peace Corps representatives are hired, how Peace Corps representatives are terminated, and how Peace Corps representatives hire staff, including an assessment of the implementation of performance plans. For the purpose of our report we considered Peace Corps representatives to be the country directors, who are responsible for management and direction at overseas posts. In conducting this audit we looked at the three key members of post senior staff, who are generally U.S. direct hire employees: the CD, DMO and DPT. The report does not describe how other host country or third country staff are hired.

The Peace Corps' Operating Environment
The Peace Corps' mission—to promote world peace and friendship—has three goals:

- Helping the people of interested countries in meeting their need for trained men and women.
- Helping promote a better understanding of Americans on the part of the peoples served.
- Helping promote a better understanding of other peoples on the part of Americans.

---

[5] OIG must provide reports to the Committees on Foreign Relations and Appropriations of the Senate and the Committees on Foreign Affairs and Appropriations of the House of Representatives.

The Peace Corps accomplishes its mission by sending Volunteers to share their skills and experience with local communities in developing countries that have requested technical assistance. Volunteers work at the grassroots level and ensure the sustainability of their efforts by transferring their skills to their host country partners.

Staff are located in headquarters offices and overseas posts to support Volunteers and enhance their work to achieve the Peace Corps mission and three core goals. Headquarters offices, based in Washington, DC, coordinate the general operations of the agency, providing overarching strategic guidance and targeted support to overseas posts and the Volunteers. The Office of Global Operations (OGO) provides oversight and coordinates the strategic support and management of Peace Corps overseas operations. Overseas posts are staffed by both American, host country national, and third country national staff who oversee Volunteer activities and address the unique needs of Volunteers serving in local communities, often under hardship conditions.

As of September 30, 2013, the Peace Corps had active programs in 65 countries that were administered through 61 overseas posts (Figure 1 provides a graphic representation of where Peace Corps Volunteers currently serve).[6] Posts are organized into three regions: Africa; Europe, Mediterranean, and Asia; and Inter-America and Pacific.

Figure 1. Peace Corps Countries

---

[6] In certain circumstances, individual posts manage programs in multiple countries in their vicinity to achieve cost savings in staffing and infrastructure while still providing a high level of Volunteer support.

Post Senior Staff
A typical post has three directors who are responsible for Peace Corps operations (collectively referred to as "post senior staff" throughout this report).

- The CD, always a U.S. citizen, has the authority and responsibility to manage and coordinate Peace Corps activities in-country. The CD is also responsible for ensuring that day-to-day operations create an environment for Volunteers and staff to work successfully and perform their duties and responsibilities.[7] The CD supervises and is supported by safety and security, medical, programming, financial, training, and administrative staff.

- The DMO[8] is responsible for post financial and administrative operations including budgeting, human resource management, procurement, and general services support. While reporting to the CD, the DMO supervises an administrative unit composed of host country national staff that typically includes a cashier, administrative assistant, general services assistant, drivers, and guards.

- The DPT[9] is responsible for managing the training of Volunteers and the implementation of Volunteer projects to ensure consistency with the needs of the host country and Peace Corps policies and priorities. While reporting to the CD, the DPT supervises Peace Corps programming staff and Volunteers in the development, management, and evaluation of projects and training.

The Peace Corps' Hiring Process
The hiring process for overseas U.S. direct hires begins with ORSS working with the regions to develop general position descriptions for post senior staff positions. From the position descriptions, ORSS creates general job announcements and posts them on the Peace Corps website. As applicants apply to the positions, the resumes and application questions are collected by ORSS for review. ORSS has a team of "pre-screeners," former post senior staff that review these applications to determine if the applicants are qualified. Each applicant initially goes through a two-step process to determine if they meet the minimum qualifications for the position. First, a pre-screener conducts a review of the submitted application. For the DMO and DPT positions, the pre-screener uses a set of criteria to review the application to determine if the applicant should continue through the process. However, for the CD position there is no set of criteria. The pre-screener uses their judgment to determine if the applicant should continue to the next stage. Second, if the applicant passes the application review, an ORSS pre-screener will then conduct a telephone interview with the applicant to learn more about the applicant's background and qualifications. The ORSS pre-screener uses a scoring sheet to evaluate the applicant's responses in different categories, such as supervisory experience and technical qualification areas. The applicants' scores are then entered into a matrix and the highest qualified candidates continue on through the hiring process. At this point in the process the CD selection varies significantly from the DMO and DPT.

---

[7] Either the DMO or DPT may be designated acting CD in the absence of the CD, as long as they are a U.S. citizen.
[8] Most DMOs are U.S. citizens; however, as of September 2013, 10 posts had a host country national serving in this role.
[9] As of September 2013, only one DPT was a non-U.S. citizen.

CD Selection Process

After ORSS has screened and identified qualified CD applicants, the Peace Corps requests that candidates travel to headquarters for a full day of interviews with various staff members. The series of interviews includes:

- Each regional office, three interviews in total;
- A manager who is not a returned Peace Corps Volunteer; and
- A panel of three staff members who are returned Peace Corps Volunteers.

Each interviewer, using a summary review sheet, grades the candidate's abilities according to a series of ORSS developed qualifications and makes a recommendation if the candidate should be selected. While the candidate is at headquarters, they also attend an initial security screening with the Office of Safety and Security (SS). After the day of interviews, ORSS reviews the interviewer comments and scoring. If a candidate is not recommended by two of the five interviews,[10] then the candidate does not move on in the process. If a candidate passes these interviews, then ORSS contacts the candidate and requests that they return to headquarters for an additional interview with the Director. This interview also includes various high-level managers such as the chief of staff, associate director for OGO, and the white house liaison. With approval from the Director, the candidate is placed on a roster of approved CD candidates.

The Peace Corps selects candidates from this roster to fill upcoming vacancies approximately three times a year.[11] To make these selections, the three RDs review the roster and determine which candidates they believe would best be suited for the upcoming vacancies, considering factors such as language proficiency and post-specific needs. The RDs informally meet with the associate director for OGO to discuss their choices and make the final decisions on filling the upcoming CD vacancies. Afterwards, the RDs present their selections to the Director at a "matching meeting," and with the Director's input the final decision for CDs is determined. The RDs prepare selection memos used by the Office of Human Resource Management (HRM), who then notify the candidates and extend an initial offer. SS and the Office of Health Services (OHS) begin their clearance processes once the offer has been accepted by the candidate. After the candidate receives both a medical and security clearance[12] they begin their employment and report for overseas staff training (OST). See Figure 2 for an illustration of the CD hiring process.
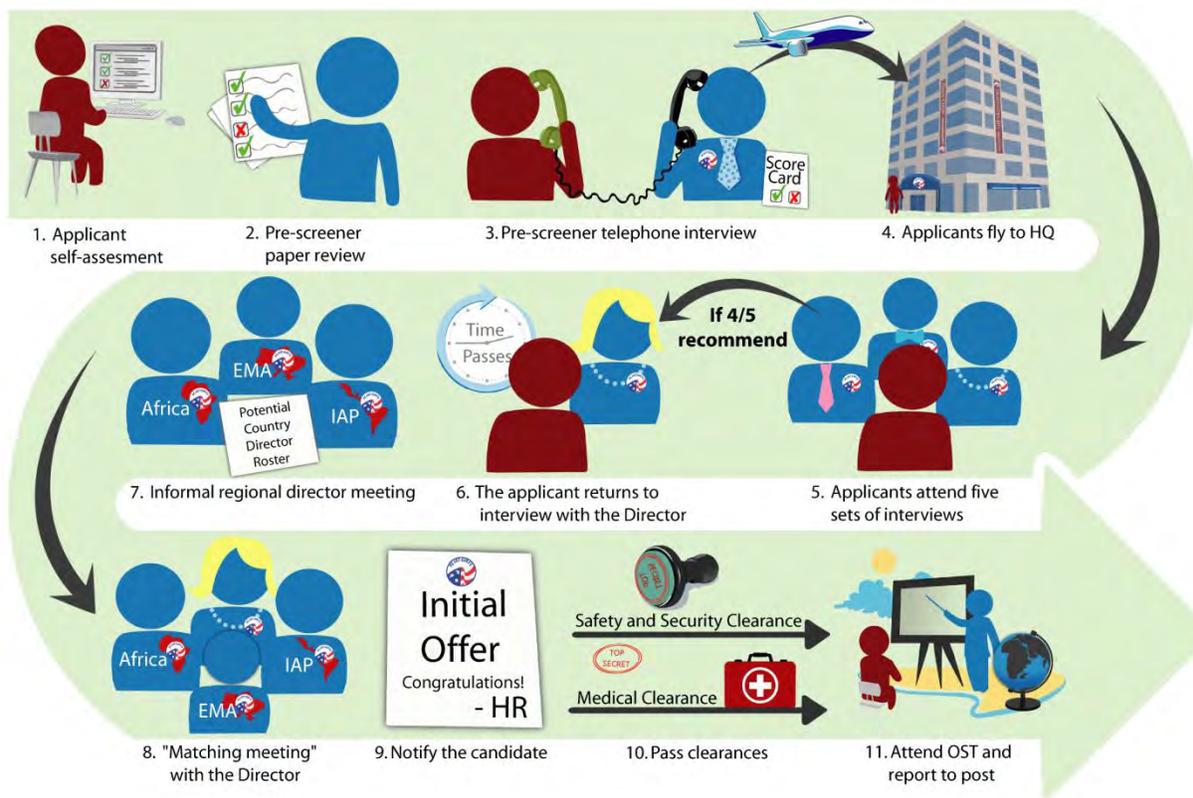
---

[10] The returned Peace Corps Volunteer staff panel interview is considered one interview for the purposes of determining if the candidate has received the necessary four of five recommendations to continue in the hiring process. Two of the three panel interviewers must recommend a candidate to receive the panel's recommendation.
[11] The timing of CD selections is tied to overseas staff training, which CDs are required to attend prior to relocating to their first post assignment. This training offers insights and guidance to the CD role at post and is hosted at Peace Corps headquarters three times a year.
[12] As a condition of employment the selected post senior staff must receive a top secret security clearance and a medical clearance. The medical clearance is also required for any family members that will be stationed at the post with them. The medical clearance is granted by the Department of State, Office of Medical Services.

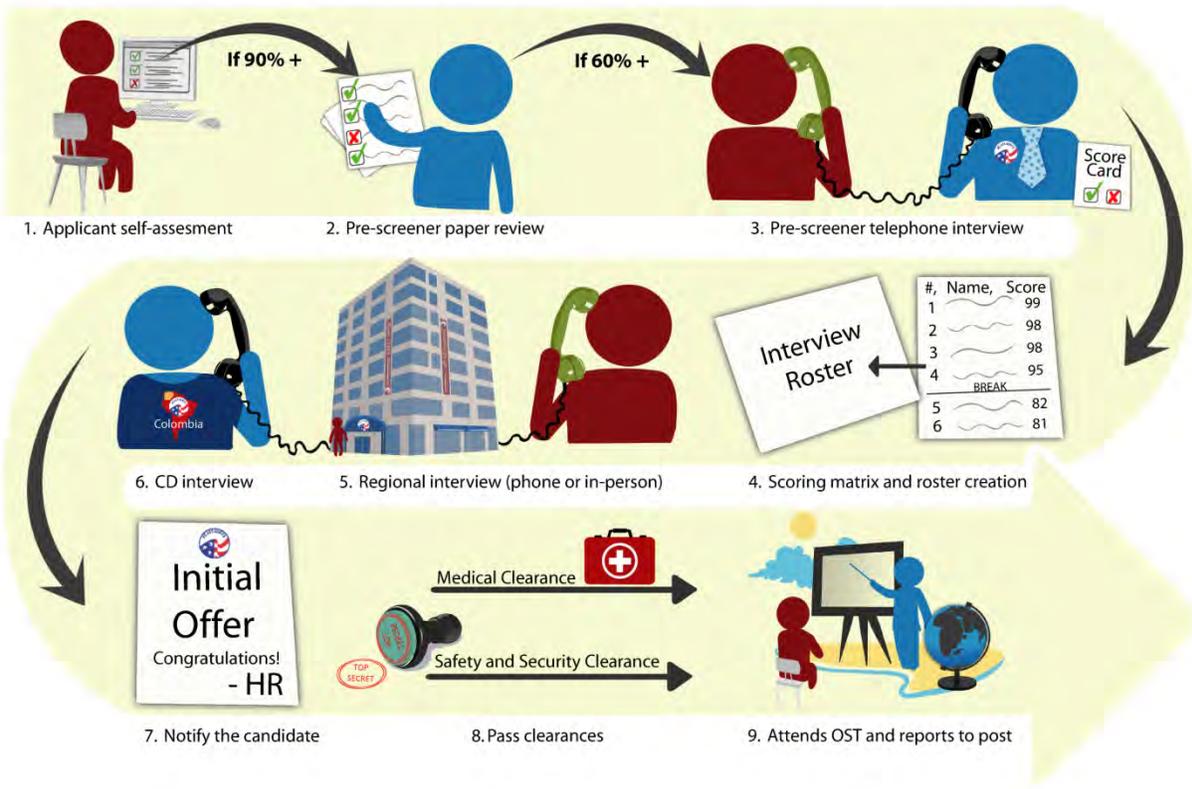**Figure 2. Illustration of the CD Hiring Process**

1. Applicant self-assesment
2. Pre-screener paper review
3. Pre-screener telephone interview
4. Applicants fly to HQ

7. Informal regional director meeting
6. The applicant returns to interview with the Director
5. Applicants attend five sets of interviews

If 4/5 recommend

8. "Matching meeting" with the Director
9. Notify the candidate
10. Pass clearances
11. Attend OST and report to post

Initial Offer
Congratulations!
- HR

Safety and Security Clearance
Medical Clearance

DMO and DPT Selection Process

After DMO and DPT applicants have been screened and the qualified candidates have been determined, ORSS develops one roster for DMOs and another for DPTs. Each roster consists of the candidates' names, scores, and notes from the ORSS pre-screener interviews. Each region is responsible for further screening of candidates. Regions typically screen candidates through phone or in-person interviews (based on the candidate's location) with a variety of regional and headquarters-based staff. The regions typically select one to three candidates per vacancy to send to the CD at post for consideration. The CD conducts phone interviews with the candidates to make the final selection. The CD will then notify the region which candidate they select for the vacancy. HRM notifies the candidate of their selection and conditionally offers the position. Once the candidate accepts the offer, SS and OHS begin the security and medical clearance processes, respectively. After the candidate receives both a security and medical clearance they will attend OST[13] or report directly to post, depending on when the clearances had been granted. See Figure 3 for an illustration of the DMO/DPT hiring process.

---

[13] OST has separate training tracks for both the DMO and DPT positions. DMOs and DPTs are not required to attend this training before relocating to post. However, if the DMO or DPT does not initially receive such training, the DMO or DPT must attend the following OST.

Figure 3. Illustration of The DMO/DPT Hiring Process

1. Applicant self-assesment
2. Pre-screener paper review — If 90% +
3. Pre-screener telephone interview — If 60% +
4. Scoring matrix and roster creation
5. Regional interview (phone or in-person)
6. CD interview
7. Notify the candidate — Initial Offer Congratulations! - HR
8. Pass clearances — Medical Clearance, Safety and Security Clearance
9. Attends OST and reports to post

#,	Name,	Score
1		99
2		98
3		98
4		95
	BREAK	
5		82
6		81

Audit Objectives

The objectives of this audit were to: (1) determine how CDs are hired, terminated, and how overseas staff are hired; and (2) assess how CDs are evaluated, including how the performance plans mandated by the Kate Puzey Act have been implemented and how Volunteer feedback provided in AVS was considered.

AUDIT RESULTS

HIRING OF OVERSEAS STAFF

The Peace Corps created ORSS in 2009 to provide a centralized and streamlined process for hiring post senior staff positions. Although the agency was able to staff post management positions, it struggled to maintain a robust pool of qualified applicants and ensure positions were filled in a timely manner. These issues occurred because the agency did not:

- Develop an overarching timeline for the hiring process and maintain a master calendar to manage when post senior staff positions will become available.
- Establish effective communications or coordination between ORSS and the three regions to determine what specific qualifications are needed to fill the upcoming vacancies.
- Establish a feedback process on the quality of the pre-screening process.
- Utilize a set schedule for candidate roster development, issuance, and maintenance.
- Implement consistent procedures for the DMO and DPT interview hiring process.
- Adequately plan for transfers and unexpected vacancies.

We previously reported that the Peace Corps experiences a high turnover rate in positions as a result of five-year term limits for staff (see IG-12-05-E *Impacts of the Five-Year Rule on Operations of the Peace Corps* (June 2012)). The effects of the five-year term limit, in combination with unnecessary delays and inefficiencies in hiring, resulted in a lack of consistent leadership at posts and required staff to perform the duties of multiple positions to cover vacancies.

The *Peace Corps Manual* section (MS) 601, "Administration of the Peace Corps Personnel System," outlines the overall policies and authorities of the Peace Corps personnel system. Specifically it states that the Director makes final selection decisions for all CD positions and that the selection process shall be "prescribed from time to time by the Director." MS 601 further states that the RDs are responsible for the selection of DMO and DPT positions. MS 620, "Peace Corps Merit Selection and Promotion," outlines the policies for Peace Corps hiring practices, such as posting vacancy announcements.

An overarching timeline that outlines the post senior staff hiring process and the length of time needed, on average, to fill vacancies did not exist.

The hiring process involves a variety of offices and contains many steps including numerous interviews, receiving a security clearance, and receiving a medical clearance. Peace Corps staff anecdotally stated varying lengths that the hiring process can take, ranging from three to 12 months. No single Peace Corps office has all of the needed data to track the length of the hiring process or candidates as they pass milestones in the process. ORSS has access to information about the first part of the hiring process, mainly when an applicant applied, was initially screened, and placed on a roster. The regions have access to information about the second part of the hiring process, mainly the candidate's progress through the regions' selection process and when that candidate will be sent to the post. No office has information about both parts of the

hiring process. As a result, there is no way of determining an accurate timeline for the hiring process.

In addition, neither ORSS nor OGO have consolidated information about which overseas positions will become available in the future in order to determine the agency's overall need for candidates. Each region separately maintains their own staffing plan, which contains all the overseas positions within their region and the estimated date that these positions will become vacant. A staffing analyst within each region provides monthly updates to their region's senior staff on all positions that will become vacant within the next year and what steps have been taken to obtain a replacement. However, ORSS did not have access to the staffing plans and was unaware of the number of overseas positions that were going to become vacant. While ORSS tried to maintain an adequate number of qualified candidates on the rosters, they did not have complete information on the upcoming need for candidates.

Without a centralized master calendar, a specific hiring timeline, or a process to fill unexpected vacancies, many posts have experienced long delays in hiring for senior staff positions. The lack of centralized information inhibits the timely communication of staffing needs. Over the past 18 months, there have been approximately 60 vacancies in the CD, DMO, and DPT positions. The duration of the vacancies ranged from one to thirteen months.

There was limited communications or coordination between ORSS and the regions to determine what specific qualifications were needed for the vacancies.

For the DMO and DPT positions, ORSS pre-screeners used a standardized question list and rating sheet that was developed with regional input. However, for the CD positions, there was no standard rating system and the pre-screeners relied on their own judgment to determine what applicants would be successful. As a result, managers expressed concern that the screening was too subjective and based on the outdated experiences of the ORSS pre-screeners. One senior staff member stated that it would be useful to meet with the ORSS pre-screener and help develop a question list together so ORSS knows what the region and the post is looking for in candidates.

Other senior staff members expressed concern that ORSS was not selecting some of the more exceptional candidates as qualified candidates and that some of the best post senior staff they have did not make the initial roster. For example, a highly qualified applicant did not pass the initial ORSS screening because the applicant copied information directly from their resume and pasted it into the application form.

> *Senior staff expressed concern that ORSS' screening process was too subjective and based on outdated experiences.*

ORSS also lacked a formal feedback process to receive information from regions on the quality of the pre-screening process. Pre-screeners stated that it would be helpful to receive input from the regions about what they were looking for in candidates and if the initial screening should be changed. One pre-screener stated that a feedback loop would be helpful because this would let ORSS know how well the candidates performed in the field. A second pre-screener told us that they ask themself the question, "would I want to hire this person?" when deciding whether to

recommend a candidate; however, the pre-screener noted the appropriate inquiries are whether the region would want to hire the candidate and what does the region value in candidates.

Candidate rosters were not updated on a defined or set schedule.

ORSS generated rosters periodically throughout the year, but ORSS did not effectively communicate with the regions when the rosters would be released. Staffing analysts from all three regions stated that they were unaware of when rosters would be published. ORSS stated that they upload the new roster to a shared electronic folder, but do not consistently communicate with the regions that this action has been done. Some regional staff stated that they received emails directly from the pre-screeners communicating the roster release.

Regional staff believed the rosters were updated too infrequently. Sometimes the list of qualified candidates is limited to a small number of individuals, forcing regions to wait for an updated roster or to select from a limited number of candidates that might not have the specific qualification desired for a post. Recently, ORSS developed a schedule for roster releases with the regions and OGO; however, regional staff believe the scheduled releases are too infrequent. One regional staff member stated that they do not know why the roster is not updated on a continuous basis. ORSS stated that they are willing to update the rosters on any basis the regions need, but these needs have not been communicated to ORSS.

Additionally, a candidate can stay on a roster for months or years, depending on the volume and need for new post senior staff. ORSS did not routinely reach out to candidates to verify that the candidate was still interested in the position. Several regional staff stated that they reached out to candidates on the rosters only to find the candidate was no longer interested in working for the Peace Corps. Further, the agency did not have a process to remove candidates from the DMO and DPT rosters, who had not been selected for a significant period of time. Occasionally, at the end of matching meetings, unselected CD candidates were removed from the roster based on a lack of interest from the meeting participants.

The regions did not have a consistent process for selecting DMOs and DPTs.

After ORSS generated a roster, the regions were responsible for making selections from the roster. Each region had its own process for interviewing and selecting candidates. For the DMO position, one region conducted a panel interview comprised of three headquarters staff that the DMO would typically interact with on a regular basis. Another region also used panel interviews, but the panel only included staff from the region, excluding other headquarters offices such as the Office of the Chief Financial Officer.

Regions risked selecting candidates already selected by another region because there was no requirement to coordinate candidate selection decisions between regions. At their own initiative, some senior staff in the region would attempt to coordinate the interview process between regions to consolidate the number of interviews and reduce redundancy. However, this process was not always followed.

Regions were not always providing CDs with an adequate selection of DPT and DMO candidates. Regions would often send three candidates to the CD for review and selection. However, this was not always the case. During interviews, CDs expressed concern that they were not given a sufficient number of candidates to choose from and, in some situations, only received one candidate. A lack of hiring options has created some frustration about the process by post senior staff. One CD, who received only one candidate, requested to interview additional candidates but was told by the region that the person whom they referred was the only individual qualified and available for the position. After much debate, the CD was finally able to review the resumes of two other candidates and determined that these candidates had more specific skills related to the programs and functions of the post. However, the region was unable to provide the CD with the rating sheets demonstrating why these candidates were scored lower than the one candidate referred by the region. Ultimately, the CD was unable to select a different candidate because the agency already offered the position to the initial candidate.

> *CDs expressed concern that they were not given a sufficient number of candidates to choose from and in some situations only received one candidate.*

The Peace Corps did not have a consistent or transparent process for transferring post senior staff to new posts.

To transfer within a region, a post senior staff member can request a transfer from the RDs through informal channels, such as a phone call. For vacancies within a region, regional staff may also reach out to a specific post senior manager to determine if that employee is interested in transferring positions to another post. Such a process exposes the agency to charges that the process is unfair or promotes favoritism.

The process to transfer between regions was also inconsistent. In some cases, post senior staff members reached out to their RDs, who helped facilitate the transfer between regions. In another instance, a post senior staff member had to reapply through the initial application process, despite being currently employed in that position. OGO has recently identified the need to improve the internal transfer process and has been working with HRM to develop a more formalized and transparent process to manage internal transfers. HRM plans to implement this formal internal transfer program by January 2014.

The Peace Corps did not have a consistent process for filling post vacancies caused by unexpected employee departures.

Not all vacancies can be planned and the Peace Corps has faced hurdles in trying to find replacements and fill-ins when vacancies unexpectedly open. Because the hiring process takes several months before a new candidate is selected, regions use other alternatives to ensure the posts have additional management coverage. For example, headquarters staff may travel to the affected post to provide temporary coverage, leaving a position empty at headquarters. Additionally, the regions have a few "rover" positions, which are mobile staff that will relocate to fill post vacancies. Two of the regions each have two DMO rovers. The other region uses two experts to fill in for their CD vacancies. This region has also posted two vacancies to hire a

DMO and a DPT rover. However, the rovers provided insufficient coverage for all vacancies, because there were times when too many vacancies existed across a region to be covered by rovers. Covering the post vacancies left resources spread thin. OGO has proposed a plan to create a more formalized rover program that would provide four rovers for each region to provide coverage for all three post senior staff positions.

The overseas hiring program was not comprehensive and formalized because the agency did not have a specific policy or centralized communications related to the hiring of post senior staff.

MSs 601 and 620 provide general rules for hiring but Peace Corps policy does not include:

- the roles and responsibilities of the involved offices at each level of the process;
- how rosters should be developed, issued, and maintained; and
- the process to conduct transfers of current post senior managers.

A lack of communication and coordination between ORSS and the regions created confusion and inefficiencies. There is no one entity involved with every step of the hiring process to ensure consistency and timeliness. With better communications, many of these outlined issues in the hiring process could have been prevented. For example, the regions are frustrated with the frequency that rosters are published; however, ORSS is willing produce rosters on any interval that the region needs.

Without a comprehensive pre-screening process and updated candidate rosters, the Peace Corps may not be getting the best candidates it needs to fill post senior staff positions and the selections might not be the best suited for the specific posts. Lack of insight into what qualifications are needed for specific vacancies could lead to qualified applicants being inappropriately screened out. Without updated and refreshed rosters, regions expend time and energy reviewing unavailable or undesirable candidates.

These inefficiencies delay the hiring of essential post senior staff positions. When one or more post senior staff positions are vacant, post direction and decision making can be compromised. A six-month vacancy for the CD position had a large impact on one post. A post senior staff member told us that work burdens on other staff during the vacancy increased, important decisions were delayed, and the difficulty of the situation demoralized post staff. This vacancy created a leadership vacuum. Another post senior staff member who had a DPT vacancy for almost a year stated that some tasks were not completed and that staff development and budget were sacrificed. OIG has seen the impacts of these post senior staff vacancies in our post evaluations. For instance, in IG-11-04-E, *Final Program Evaluation Report: Peace Corps/Cambodia* (May 2011) evaluators found that the DPT position had been vacant for eight months and reported that:

> During the eight month period without a permanent DPT lapses began to appear in important programming areas, including Volunteer communications and oversight, host family selection, Volunteer reporting feedback, and Volunteer file documentation.

Further, in IG-12-06-E *Final Program Evaluation Report: Peace Corps/Uganda* (July 2012) we found that "the excessive turn-over rate for CDs in Uganda has severely impacted the post's ability to develop into a high performing post." The lack of consistent leadership and continuity of vision led to the post's projects not being solidly developed.

In addition, without clearly defined roles and responsibilities, candidates may feel lost in the hiring process. Candidates do not know who to contact to get information about the hiring process or the status of their application. Some post senior staff have referred to the process as "a black hole." One DPT stated that "they treat you like a Volunteer, that you should feel honored they are considering you." Peace Corps can lose highly qualified candidates because these candidates do not know where they stand in the process and accept other job opportunities.

We recommend:

1. That the Office of Management develop and implement a formal policy and procedure for conducting post senior staff hiring. This policy should define roles and responsibilities, timelines, and accountability.

2. That the Office of Overseas Recruitment, Selection, and Support develop a hiring timeline using statistics on the length of time to process an applicant through each stage of the hiring process.

3. That the Office of Global Operations develop a master calendar of all known upcoming vacancies for the post senior staff positions.

4. That the Office of Global Operations and Office of Overseas Recruitment, Selection, and Support develop a process that ensures that information on what qualifications are needed to fill upcoming vacancies is communicated and provide feedback on the pre-screening process.

5. That the Office of Overseas Recruitment, Selection, and Support develop a set schedule for candidate roster development, issuance, and maintenance.

6. That the Office of Global Operations and Office of Overseas Recruitment, Selection, and Support implement a formalized process for the internal transfers of current post senior staff.

7. That the Office of Global Operations pursue a formalized approach to rover positions to ensure adequate coverage of unexpected post senior staff vacancies.

CD and other post senior staff are provided performance plans on an annual basis. However, the data provided by the agency concerning CD appraisals after the passage of the Kate Puzey Act was insufficient to conclude that all CDs had adequate appraisals conducted as required by law. We reviewed performance plans and appraisals for a sample of CDs, DMOs, and DPTs. Of the performance plans and appraisals reviewed, OIG noted that:

- Performance plans and appraisals did not clearly consider AVS data, as required by the Kate Puzey Act;
- Performance appraisals were inconsistent in format and scope; and
- Performance plans and appraisals were not conducted timely.

In addition, the process for conducting performance appraisals was lacking adequate oversight and specific direction for how to consider different levels of input. The current performance appraisal system lacks the ability to differentiate between mediocre and exceptional employees and does not provide specific guidance and training to rating officials.

CD Performance Appraisals
The Kate Puzey Act requires performance elements and standards to be developed for all CDs, and their performance to be evaluated on, at least, an annual basis. As part of this audit, the legislation mandates that the results from AVS be considered.

Prior to the issuance of the Kate Puzey Act, CDs were not required to undergo performance appraisals. Nonetheless, the agency's general practice was to conduct performance appraisals following the same guidance established for other Peace Corps employees.

DMO and DPT Performance Appraisals
MS 626, "Performance Appraisal System," provides guidance to ensure that employees receive periodic appraisals of job performance. MS 626 requires the employee's direct supervisor, or rating official, provide the employee with a written performance plan within 30 days of the appraisal period beginning or the employee's entry into the position. This performance plan consists of performance elements and the standard an employee is expected to meet in order to perform the job successfully. MS 626 states the performance plan should be developed using the following criteria: (a) relevance, (b) completeness, (c) clarity, and (d) measurability.

Furthermore, MS 626 requires the rating official annually provide a written performance appraisal in which the employee receives either "meets or exceeds" (pass) or "does not meet" (fail) and a narrative statement is provided for each performance element. MS 626 also requires all appraisals to be completed and submitted to the director of human resource management no later than 30 days after the end of the appraisal period.

CD and other post senior staff were provided performance plans on an annual basis.

2013-14 Performance Plans. On July 22, 2013, we requested the 2013-14 performance plans for all 61 CDs, 15 DMOs, and 15 DPTs. On July 29, 2013 HRM provided the prior period (2012-13) performance plans for 57 CDs, 5 DMOs, and 5 DPTs. Table 1 provides a breakdown of the number of performance plans requested and received.

Table 1. 2012-13 Performance Plans Provided on July 29, 2013

	Requested	Received	Percent Received
CD	61	57	93%
DMO	15	5	33%
DPT	15	5	33%
Total	**91**	**67**	**74%**

In order for us to review the plans and still meet Congress' November 2013 deadline, on August 30, 2013, we modified our request for the 2013-14 appraisals to 15 CDs, 15 DMOs, and 15 DPTs. On September 10, 2013, HRM was able to provide approximately 27 percent of the requested employees. Table 2 provides a breakdown of the number of performance plans requested and received.

Table 2. 2013-14 Performance Plans Provided on September 10, 2013

	Requested	Received	Percent Received
CD	15	4	27%
DMO	15	4	27%
DPT	15	4	27%
Total	**45**	**12**	**27%**

We continued to correspond with HRM in attempt to receive all 45 2013-14 performance plans requested. HRM continued to provide performance plans until September 24, 2013; however, as of that date, three performance plans were not received.

The data provided by the agency concerning CD appraisals after the passage of the Kate Puzey Act was insufficient to conclude that all CDs had adequate appraisals conducted as required by law.

2011-12 Performance Appraisals. On June 6, 2013, we requested the previous review period's performance appraisals for all 61 CDs and a judgmental sample of 15 DMOs and 15 DPTs. On June 14, 2013, HRM provided the 2011-12 performance appraisals for approximately 63 percent of the requested employees' performance appraisals. Table 3 provides a breakdown of the number of performance appraisals requested and received.

Table 3. 2011-12 Performance Appraisals Provided on June 14, 2013

	Requested	Received	Percent Received
CD	61	46	75%
DMO	15	6	40%
DPT	15	5	33%
Total	**91**	**57**	**63%**

2012-13 Performance Appraisals.[14] In order to provide an accurate and timely analysis of performance plans and performance appraisals, we determined that the 2012-13 performance appraisals would need to be reviewed, as the 2011-12 performance appraisals provided were over 14 months old. However, the 2012-13 performance appraisals were not due to HRM until July 15, 2013. On July 22, 2013, OIG requested the 2012-13 performance appraisals for all 61 CDs and the same judgmental sample of 15 DMOs and 15 DPTs. On July 29, 2013, HRM provided mid-year reviews (conducted in January 2013) for a selection of the requested employees, but was unable to provide any of the full 2012-13 performance appraisals.

In order for us to review the appraisals and still meet Congress' November 2013 deadline, on August 30, 2013, we modified our request for the 2012-13 appraisals to 15 CDs, 15 DMOs, and 15 DPTs. On September 10, 2013, HRM was able to provide approximately 53 percent of the requested employees' performance appraisals. Table 4 provides a breakdown of the number of performance appraisals requested and received.

Table 4. 2012-13 Performance Appraisals Provided as of September 10, 2013

	Requested	Received	Not Required*	Percent Received
CD	15	4	1	29%
DMO	15	8	4	73%
DPT	15	8	2	62%
Total	**45**	**20**	**7**	**53%**

*Some employees were not in their role as post senior staff for 120 days and therefore did not receive a performance review.

We continued to correspond with HRM in attempt to receive all 45 2012-13 performance reviews requested. HRM continued to provide performance appraisals until September 24, 2013; however, as of that date two performance appraisals were not received.

The following sections are based on analysis for the 13 CD, 10 DMO and 11 DPT appraisals that we received for the 2012-13 performance period.

---

[14] Prior to 2013, the annual performance period was February 1 to January 31; however, in January 2013 HRM revised the period to end May 31. In future years, performance will be evaluated from June 1 to May 31. The performance reviews conducted in 2013 should be the only review period that contains more than 12 months of performance.

CD performance appraisals did not clearly and consistently consider AVS data or include such data in the written appraisals.

All CD performance plans uniformly contain eight elements:

1) Representation
2) Administrative and Financial Management
3) Human Resource Management
4) Program Direction
5) Volunteer Support and Training
6) Safety and Security of Volunteers, Trainees, and Staff
7) Organizational Management and Leadership
8) Equal Employment Opportunity/Affirmative Action

The performance standards for elements 5) "Volunteer Support and Training" and 6) "Safety and Security of Volunteers, Trainees, and Staff" both state: "Responses from the Annual Volunteer Survey shall be considered in evaluating this element." However, there was no clarification as to which AVS questions should be used to evaluate these standards.

The 2012 AVS contained 100 questions divided into 11 different sections. These sections cover a wide array of topics. These sections are:

1) Training for Your Peace Corps Assignment
2) Your Health
3) Your Peace Corps Activities
4) Peace Corps Goals and Impact
5) Overall Assessment of Your Peace Corps Service
6) Peace Corps Support
7) Your Life in the Peace Corps
8) Your Safety and Security
9) Activities after Peace Corps Service (only for Volunteers serving 19 months or more)

Of the 13 CD performance appraisals from the rating period that covered February 1, 2012 through May 31, 2013, sixty-nine percent (9 of 13) of the appraisals contained no details or narrative on the AVS results. The four appraisals that referenced AVS results were all for CDs from the same region. However, the level of information on the AVS data varied. For example, one appraisal had detailed bullet points on the different AVS results and what was being done to improve those results. Other appraisals only mentioned that AVS results were expected to improve. Of the four performance appraisals that referenced AVS data, three announced an expectation to see improvements in next years' results, but did not allude to plans to address problem areas in the upcoming year. Without specific details on AVS as part of the written appraisals there is limited assurance that the AVS results are considered, as required by the Kate Puzey Act.

We reviewed the 2011 and 2012 AVS results for the four appraisals that contained language on AVS results and determined that AVS results were not always as positive as reflected in the

performance appraisals. For example, while one performance appraisal stated, "Volunteers also rated staff support as very low, with the exception of medical and safety and security staff," the AVS results showed that Volunteer satisfaction in medical support had dropped 16 percent from the previous year. After reviewing the nine appraisals that did not reference specific

AVS results, we further concluded that some appraisals overlooked significant problem areas or achievements. In one country, Volunteers' satisfaction with their job assignment dropped 15 percent in one year, but the CD's performance appraisal never alluded to this problem area. In another country, Volunteers' satisfaction with the CD's responsiveness, usefulness of information provided, and approachability increased from FY 2011 to FY 2012 by 17 percent, 16 percent, and 22 percent respectively. However, this significant achievement was not highlighted in the CD's performance appraisal.

With the current timing of the release of AVS results, it is challenging to have informed and impactful inclusion of AVS results in CD performance appraisals. AVS data is collected annually between June and August and the results are released to the agency around October; however, the annual performance appraisal period ends in May and write-ups are due 30 days later. By the time performance appraisals are conducted, the AVS results are approximately one year old and, consequently, less valuable to the appraisal than timely AVS results would be. This also limits RDs' ability to include timely AVS results in the CD appraisals and provide timely feedback to CDs.

Post senior staff performance appraisals varied dramatically in format and scope and did not provide an adequate review of each performance element.

In addition to reviewing the 13 CD performance appraisals, we reviewed 10 DMO and 11 DPT appraisals and noted similar issues with these documents. Specifically, some appraisals only provide a general overview of performance; others only provide narratives for one or two of the performance elements. Further, only three appraisals included focus areas for the upcoming performance period.

Performance plans and appraisals were not always conducted timely.

While performance plans were due to HRM on July 15, 2013, HRM was not able to provide us the requested 45 post senior staff performance appraisals because the regional offices had failed to meet this deadline. This delay occurred after we had modified our original request for all 61 CDs performance appraisals. After two months HRM was able to provide most of the reports after repeatedly reminding the regional offices of the deadline and the related OIG audit mandated by Congress. However, we noted that three CD performance appraisals, all from the same region, were conducted outside the 30-day period required by MS 626. In addition, several CDs said they had not received the written appraisals within the required timeframe even though

the documentation provider later had signatures and dates within the timeframe. This caused us to question the reliability of the information provided.

Similar issues appeared in the development of the 2013-2014 performance standards. In three of 45 cases, the performance standards were not signed until September 2013, over three months into the 12-month performance appraisal period. An additional three post senior staff performance plans were not submitted to HRM as of September 24, 2013.

OGO did not provide adequate oversight or verification that the performance appraisals were conducted timely or that the written document adequately covered each of the performance elements.

After the rating official prepares and signs the appraisal, a reviewing official ensures that the recommended ratings are properly documented and approves the appraisal. For CD performance appraisals, the reviewing official is the associate director of OGO. Since March 2013, an RD had been acting as the associate director of OGO. During the performance appraisal period, this RD had to conduct his/her staff's performance appraisals as RD and serve as the reviewing official for over 100 performance appraisals, including CDs from across all three regions. The acting associate director stated that it was challenging to review the appraisals as carefully as he would have preferred due to the volume of work. In the case of the regions, there is no oversight process holding offices accountable when performance appraisals are not conducted and/or turned in a timely manner.

Although reviewing officials included information from additional sources; the agency did not have a standard process for gathering additional input for post senior staff appraisals.

RDs are physically distant from CDs and must conduct appraisals based on their interactions with CDs over the phone, during periodic visits, and informally through other post and headquarters staff. The level of input that RDs consider when generating appraisals varies. One RD stated that when conducting appraisals they use the CDs' self-assessments, AVS survey results, and any reports from country desk officer visits to help formulate the appraisal narrative. Conversely, another RD stated that it is critical to gather information from as many sources as possible. This RD collects input from rovers, desk officers, the respective post's DMO and DPT, results of any OIG site visits, and monthly phone calls with the employee to help generate the appraisal narrative.

While CDs conduct DMO and DPT appraisals, DMOs and DPTs believe that it is critical for CDs to get input from the headquarters staff that they interact with on a regular basis. One DMO stated that it is critical to get headquarters staff input, as these staff deal with the technical aspects of the DMO position and work close enough to know if a DMO is performing adequately. One DPT stated a desire to have input into the DMO performance appraisal since the two positions work closely together. Another DPT stated that having 360 degree performance appraisals done every few years would be useful to get an accurate picture of performance.

The use of a comprehensive performance appraisal system is critical now that post senior staff serve as part of a 60-month term.[15] Prior to 2013, an RD could effectively remove an underperforming post senior staff member by allowing their initial 30-month appointment to expire without renewing their appointment. Now this is not an option and if the underperforming post senior staff member is left in place, the damage to the post could be extensive. Poor management can decrease post staff morale, which can lead to the mission-critical work not being achieved. These issues, if left unattended for too long, can lead to a lack of Volunteer support and a risk to Volunteer safety. Additionally, since DMOs and DPTs do not serve at the discretion of the Director, as do CDs, well-documented performance appraisals are needed to either terminate underperforming DMOs and DPTs or to place them on a performance improvement plan. Similarly, the performance of underperforming CDs could be improved if a comprehensive performance appraisal was provided.

The "pass/fail" performance appraisal rating system did not allow differentiation between mediocre and exceptional employees.

Performance appraisals were not always seen as a valuable activity. All levels of Peace Corps staff interviewed complained about the "pass/fail" performance rating system. MS 626 states, "Official ratings for each performance requirement must be either 'meets or exceeds' or 'does not meet' the performance standard for an element." It further requires, "if a supervisor decides that a rating of 'does not meet' is appropriate for a critical element on a performance appraisal, he or she must put the employee on a PIP [performance improvement plan] and defer the appraisal for 60 days."

One RD stated that the "pass/fail" ratings hinders the RD's ability to manage staff, as it does not provide adequate feedback or options for a CD to excel. A CD stated that there needs to be more gradation in the levels of performance. This CD also stated that there are many performance elements, but what is expected to meet each element is not clear. Clearer expectations are needed to manage performance.

HRM plans to pilot a four-level rating system for the 2014-15 performance appraisal period. If this pilot is successful, the Peace Corps will convert the performance appraisal system agency-wide.

Overseas rating officials were provided limited guidance and training on how to conduct performance appraisals.

MS 626 does not provide detailed direction or insight on how to conduct performance appraisals. Some CDs stated that they "feel in the dark" on how to conduct performance appraisals. One CD would like a training session on how to conduct performance appraisals and providing meaningful feedback as part of OST. Two other CDs expressed a need for guidance on how to deal with DMO and DPT performance concerns.

---

[15] Prior to 2013, post senior staff served a 30-month appointments that could be renewed one or two times. As of March 2013, any employee hired is now provided a 60-month appointment.

In June and July 2013, HRM provided a one hour training session to supervisors on the performance appraisal system. Additionally, HRM plans to conduct more supervisory training in 2014 "to help improve the knowledge and information needed to be effective supervisors."

Without accurate or timely performance appraisals, post staff did not have adequate information on their performance in order to make necessary improvements. Without quality performance appraisals, DPTs and DMOs may not be fully informed of their performance, such as when work is exceptional or where improvement is needed. Further, staff can become discouraged with the lack of feedback and direction. By not placing sufficient importance on performance appraisals, there was little motivation for post staff to improve.

We recommend:

8. That the Office of Global Operations, in coordination with the Office of Human Resource Management, incorporate consideration of the Annual Volunteer Survey results into country directors' written performance appraisals in a consistent and meaningful way.

9. That the Office of Global Operations, in coordination with the Office of Human Resource Management, determine how to overcome the timing differences between the Annual Volunteer Survey and annual written appraisals to better match the performance appraisal period and provide timely Annual Volunteer Survey results for inclusion in the annual written performance appraisals.

10. That the Office of Human Resource Management provide biennial training and guidance to all post rating officials on their role in conducting performance appraisals and the level of detail needed to provide adequate feedback.

11. That the Office of Global Operations develop guidance and provide oversight of post senior staff performance appraisals to verify that each performance element is consistently addressed in the appraisal.

12. That the Office of Global Operations develop an accountability process to ensure all post senior staff appraisals are conducted and turned in within 30 days of the end of the performance period as required by policy.

The Peace Corps did not provide RDs with guidance for termination of CDs.

While termination is rarely pursued against CDs, there is no guidance on how RDs should pursue this option or what offices should be involved in the decision making process. Ultimately, the Director has the discretion to terminate CDs; however, the Director relies heavily on information from the RDs that supervise the CDs. MS 601 "Administration of the Peace Corps Personnel System" outlines the overall policies and authorities of the Peace Corps personnel system. Section 2.6, "Country Directors," states:

> Peace Corps Country Directors are appointed under authority of section 7(c) of the Peace Corps Act. In general, their appointments are subject to the terms and conditions described in section 7(a)(2) of the Peace Corps Act, except that their appointments may be terminated at the discretion of the Director at any time without notice, notwithstanding any other provision of law or this Manual.

CDs serve at the pleasure of the Director and can be terminated at any time without cause. Since the Director's authority to terminate CDs is very broad, decisions should be clearly documented to ensure fairness and transparency. However, DMO and DPT terminations require a rigorous, structured process consistent with other Peace Corps employees who serve at headquarters. Relevant for DMOs and DPTs, MS 601 section 10, "Termination of Appointments," states:

> (a) Appointments in the Foreign Service may be terminated for misconduct under section 610 of the Foreign Service Act of 1980, as amended (FSA), and at any time for reasons other than misconduct under section 612 of the FSA.

> (b) Terminations pursuant to MS 613 "Probationary Period for Foreign Service Employees", MS 626 "Peace Corps Performance Appraisal System" or MS 652 "Disciplinary Procedure for Foreign Service Employees" must follow the procedures provided by the applicable Manual Section unless the employee waives in writing his/her rights.

> (c) Employees terminated for misconduct are entitled to the procedures provided by section 610(a)(2)(B) of the Foreign Service Act of 1980.

> (d) Employees terminated for other reasons not covered by MS 626 or 652 (e. g. abolishment of position) are entitled to 30 days advance notice of termination of their appointments.

Our review of the Peace Corps' terminations was limited in scope because CDs are rarely terminated. Since January 2007, the Peace Corps has terminated four CDs and had 22 CDs resign for reasons that were not always documented. HRM provides support to supervisors for all disciplinary actions, and when necessary, terminations. HRM also maintains the official record for personal actions including terminations.

During our interviews, regional staff expressed confusion on how to pursue termination of a CD. One RD stated that the issue should be brought to OGO first and then the issue will be brought to the Director jointly. Another RD stated that in the past they brought the issue directly to the Director. In addition, other offices may be used as resources during the termination process, such as the Office of General Counsel for legal support. By providing guidance, RDs would have a formal channel for discussing issues with CDs and the needed support from other offices to pursue terminations.

We recommend:

13. That the Office of Global Operations, in coordination with the Office of Human Resource Management, issue guidance and provide support to regional directors on how to handle performance issues and, when required, termination of country directors.

The objectives of this audit were to: (1) determine how CDs are hired, terminated, and how overseas staff are hired; and (2) assess how CDs are evaluated, including how the performance plans mandated by the Kate Puzey Peace Act of 2011 have been implemented and how Volunteer feedback provided in AVS was considered.

Our conclusions are based on information from two sources: (1) document and data analysis and (2) interviews. We conducted this performance audit in accordance with the *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.

We relied on data provided by Peace Corps headquarters staff, testimonial evidence from headquarters and post staff, and Peace Corps' Intranet. While we did not perform tests of controls on data provided by headquarters staff, we believe the information we obtained is sufficiently reliable for this report. Our criteria were derived from the following sources: Kate Puzey Act and the *Peace Corps Manual*.

The audit focused on the process of hiring post senior management staff (U.S. citizens only), performance appraisals, and terminations. We conducted our review at Peace Corps headquarters from February 2013 through September 2013.

Hiring Process
We gained an understanding of the hiring process by reviewing the *Peace Corps Manual*, data collected from HRM, and interviews with headquarters and post staff.

We reviewed job vacancies, position descriptions, interview questions, and application statistics provided by HRM to determine the desired qualifications and the criteria used for candidate selection. We compared the position descriptions to the interview questions for consistency. We also analyzed the staffing vacancy spreadsheets from the regional staffing analysts and verified vacancy lapses with OGO.

We interviewed Peace Corps senior staff and staff from ORSS, RDs, chief administrative officers, chiefs of program and training, staffing analysts, and safety and security and medical personnel to discuss both their roles and responsibilities in the hiring process and to ascertain the length of time it takes to fill a position and staff placement. We also surveyed 41 post senior staff, including CDs, DMOs and DPTs to obtain feedback on their hiring experiences, performance evaluations, post staff hiring and termination practices. Once we completed our interviews, we were able to create a flow chart documenting the post senior staff hiring process.

We identified other nongovernmental organizations with CD positions comparable to those of the Peace Corps. Some common factors we considered included internationally based assignments that stress organizational management qualifications, safety and security experience,

human resource management of staff in cross-cultural contexts, program development and implementation, financial management, and representational responsibilities. We did not interview the organizations about CD positions; however, we used published job description information to determine consistency with CD qualifications among the like organizations.

Performance Appraisals
We gained an understanding of the performance evaluation requirements by reviewing the Kate Puzey Act and the *Peace Corps Manual*.

Initially, we submitted a request to HRM for current and prior year annual performance appraisals and plans for all current CDs, 15 DMOs, and 15 DPTs. HRM was unable to provide the requested documentation because it was not available.

Due to time constraints, we modified our request to only include the current year performance plans and appraisals for 15 CDs, 15 DMOs, and 15 DPTs. We obtained the majority of the requested files two months later; however, as of September 30, 2013, there were still three performance plans that were not submitted to the HRM by the regions.

We interviewed post senior staff to confirm that performance reviews were being conducted. We also reviewed the sampled performance plans, appraisals and AVS results.

We did not review AVS results for every post; we only reviewed the AVS results for the CDs that were sampled.

Data Limitation
Our report identified data limitations in the receiving the performance plans and appraisals. Without this data, we could not fully attest that the Peace Corps complied with the Kate Puzey Act to establish performance plans and conduct annual performance appraisals for every CD.

CD Terminations
We gained an understanding of the termination policy for CDs by reviewing the *Peace Corps Manual* and the Peace Corps Act. We interviewed post senior staff regarding their understanding of the termination policy. We also contacted the Office of General Counsel and HRM to determine if files are maintained for employees that were terminated or resigned in lieu of termination. Our review of the Peace Corps' terminations was limited in scope due to a lack of historical information available for analysis.

INTERVIEWS CONDUCTED

As part of this audit, interviews were conducted with 26 headquarters-based staff in Washington DC, and 41 overseas-based Peace Corps staff.

Table 5: Headquarters Interviews

Position	Office
Acting Associate Director	Office of Global Operations
Director	Office of Congressional Relations
Director	Office of Human Resource Management
Acting Associate Director	Office of Management
Associate General Counsel	Office of the General Counsel
Regional Director	Africa Operations
Regional Director	Europe, Mediterranean, and Asia Operations
Regional Director	Inter-America and the Pacific Operations
Chief of Programming and Training	Africa Operations
Programming and Training Specialist	Europe, Mediterranean, and Asia Operations
Chief of Programming and Training	Inter-America and the Pacific Operations
Chief Administrative Officer	Africa Operations
Chief Administrative Officer	Europe, Mediterranean, and Asia Operations
Chief Administrative Officer	Inter-America and the Pacific Operations
Management Analyst	Africa Operations
Management Analyst	Europe, Mediterranean, and Asia Operations
Management Analyst	Inter-America and the Pacific Operations
Manager	Overseas Recruitment, Selection and Support
Administrative Staff (2)	Overseas Recruitment, Selection and Support
Expert/Overseas Medical Clearance	Overseas Recruitment, Selection and Support
Expert/Pre-Screener (4)	Overseas Recruitment, Selection And Support
Information Security Specialist	Information & Personnel Safety/Security

Data as of September 2013.

Table 6: Overseas Interviews

Position	Office
Country Director (4)	Africa Operations
Country Director (6)	Europe, Mediterranean, and Asia Operations
Country Director (4)	Inter-America and the Pacific Operations
Director of Programming and Training (5)	Africa Operations
Director of Programming and Training (5)	Europe, Mediterranean, and Asia Operations
Director of Programming and Training (4)	Inter-America and the Pacific Operations
Director of Management and Operations (4)	Africa Operations
Director of Management and Operations (5)	Europe, Mediterranean, and Asia Operations
Director of Management and Operations (4)	Inter-America and the Pacific Operations

Data as of September 2013.

LIST OF RECOMMENDATIONS

WE RECOMMEND:

1. That the Office of Management develop and implement a formal policy and procedure for conducting post senior staff hiring. This policy should define roles and responsibilities, timelines, and accountability.

2. That the Office of Overseas Recruitment, Selection, and Support develop a hiring timeline using statistics on the length of time to process an applicant through each stage of the hiring process.

3. That the Office of Global Operations develop a master calendar of all known upcoming vacancies for the post senior staff positions.

4. That the Office of Global Operations and Office of Overseas Recruitment, Selection, and Support develop a process that ensures that information on what qualifications are needed to fill upcoming vacancies is communicated and provide feedback on the pre-screening process.

5. That the Office of Overseas Recruitment, Selection, and Support develop a set schedule for candidate roster development, issuance, and maintenance.

6. That the Office of Global Operations and Office of Overseas Recruitment, Selection, and Support implement a formalized process for the internal transfers of current post senior staff.

7. That the Office of Global Operations pursue a formalized approach to rover positions to ensure adequate coverage of unexpected post senior staff vacancies.

8. That the Office of Global Operations, in coordination with the Office of Human Resource Management, incorporate consideration of the Annual Volunteer Survey results into country directors' written performance appraisals in a consistent and meaningful way.

9. That the Office of Global Operations, in coordination with the Office of Human Resource Management, determine how to overcome the timing differences between the Annual Volunteer Survey and annual written appraisals to better match the performance appraisal period and provide timely Annual Volunteer Survey results for inclusion in the annual written performance appraisals.

10. That the Office of Human Resource Management provide biennial training and guidance to all post rating officials on their role in conducting performance appraisals and the level of detail needed to provide adequate feedback.

11. That the Office of Global Operations develop guidance and provide oversight of post senior staff performance appraisals to verify that each performance element is consistently addressed in the appraisal.

12. That the Office of Global Operations develop an accountability process to ensure all post senior staff appraisals are conducted and turned in within 30 days of the end of the performance period as required by policy.

13. That the Office of Global Operations, in coordination with the Office of Human Resource Management, issue guidance and provide support to regional directors on how to handle performance issues and, when required, termination of country directors.

AVS	Annual Volunteer Survey
CD	Country Director
DMO	Director of Management and Operations
DPT	Director of Programming and Training
HRM	Office of Human Resource Management
MS	Peace Corps Manual Section
OGO	Office of Global Operations
OHS	Office of Health Services
OIG	Office of Inspector General
ORSS	Office of Overseas Recruitment, Selection, and Support
OST	Overseas Staff Training
RD	Regional Director
SS	Office of Safety and Security

MEMORANDUM

To:	Kathy Buller, Inspector General
From:	Carrie Hessler-Radelet, Acting Director
Date:	November 19, 2013
Cc:	Stacy Rhodes, Chief of Staff
	Joaquin Ferrao, Deputy Inspector General
	Carlos Torres, Acting Associate Director, Global Operations
	Bill Rubin, General Counsel
	Earl W. Yates, Associate Director, Management
	Kathleen Beale, Director Congressional Relations
	Carl Sosebee, Senior Advisor to the Director
	Daljit K. Bains, Chief Compliance Officer
Subject:	Agency Response to the Preliminary Audit Report: Peace Corps Overseas Staffing
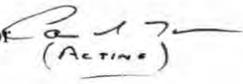
Please find the agency's response to the recommendations made by the Inspector General for Peace Corps in the Audit of Peace Corps Overseas Staffing, November 18, 2013.

The agency concurs with all 13 recommendations and Peace Corps management will work to implement those recommendations as outlined.

BACKGROUND

In October 2012, the agency hired a new Director for Human Resource Management (HRM), who identified and worked together with other offices in the agency to begin developing solutions to many of the issues presented in the report. These include:
- A more disciplined appraisal system;
- Improvements and streamlining of the overseas staff hiring process; and
- Greater coordination with the regions in order to better track and proactively fill overseas vacancies.

Additionally, a new Acting Associate Director (AD) of the Office of Global Operations (OGO) began in March 2013. At that time, the Acting AD of OGO and the Director of HRM continued working together to redesign many aspects of the overseas hiring process. For clarification, the

Office of Overseas Recruitment, Selection and Support (ORSS) reports to HRM. Both of these offices reside in the Office of Management. The Regional Directorates report to OGO and both these offices reside in the Office of the Deputy Director.

HRM management of ORSS with active participation of the Acting AD of OGO has also:

- Developed a draft set of procedures to address the need for a more transparent internal transfer process for overseas staff;
- Worked to increase the frequency of the Director of Management and Operations (DMOs) and Director of Programming and Training (DPT) rosters; and,
- Changed the timing on the selection process for Country Directors (CDs), requesting that all Regional Directors identify vacancies 12 months in advance of need and began working with ORSS to fill these positions.

HRM, ORSS and OGO have also been in discussions since September 2013 to develop a schedule for candidate roster development, issuance, and maintenance particularly focusing on the DPT and DMO rosters. The intent of the changes is to develop a process that refreshes the DPT and DMO rosters on a regular schedule, consistently providing the regions up-to-date, fresh rosters.

Although the Office of Management, OGO, HRM, and ORSS concur with all of the recommendations, these offices believe that Recommendations 2 through 5 are all subsets of Recommendation 1. These offices will work together to develop and implement guidance and procedures for hiring post U.S. Direct Hires, defining roles and responsibility, timeliness, and accountability. The specific details of this implementation, and all of management's planned actions, are spelled out in the responses to each recommendation below.

HIRING OF OVERSEAS STAFF

Recommendation 1:

That the Office of Management develop and implement a formal policy and procedure for conducting post senior staff hiring. This policy should define roles and responsibilities, timelines, and accountability.

Concur:

Policies that define staff hiring currently exist in the Peace Corps Manual and procedures are outlined in Peace Corps Handbooks. The Office of Human Resource Management, Overseas Recruitment Selection and Support (HRM/ORSS) and Office of Global Operations (OGO) will coordinate on the enhancement of formal internal guidance that outlines the procedures for conducting overseas senior staff hiring. Guidance was developed in September 2010 and provided to the IG during this audit. This guidance, as an addition to Peace Corps hiring policies, will be updated to further define the roles and responsibilities, timelines, and accountability for conducting post senior staff hiring.

Documents to be Submitted:

- The updated policy and guidance documents will be submitted to the OIG.

Status and Timeline for Completion:

- March 31, 2014

Recommendation 2:

That the Office of Overseas Recruitment, Selection, and Support develop a hiring timeline using statistics on the length of time to process an applicant through each stage of the hiring process.

Concur:

The overarching hiring timeline is defined in the September 14, 2010 guidance provided, and as referenced in Recommendation 1. HRM and ORSS have already begun implementation of this recommendation to track and trend the filling of vacancies on a Recruitment Report, reflecting each stage of the hiring process. This effort will also provide increased communication between HRM and ORSS and OGO.

Documents to be Submitted:

- This will be submitted with the documents provided in response to Recommendation 1.

Status and Timeline for Completion:

- March 31, 2014

Recommendation 3:

That the Office of Global Operations develop a master calendar of all known upcoming vacancies for the post senior staff positions.

Concur:

The OIG's concerns regarding the need for a master calendar for upcoming vacancies will be addressed through the HRM Recruitment Report for vacant post senior staff positions. The calendar timeline will be defined in the guidance, referenced in Recommendations 1 and 2. Both the Recruitment Report and timeline will be coordinated between HRM/ORSS and OGO and updated on a continuous basis with the action for each application through the hiring process. As a result, management is confident these documents will provide OGO and HRM/ORSS all known upcoming vacancies.

Documents to be Submitted:

- This will be submitted with the documents provided in response to Recommendation 1.

Status and Timeline for Completion:

- March 31, 2014

Recommendation 4:

That the Office of Global Operations and Office of Overseas Recruitment, Selection, and Support develop a process that ensures that information on what qualifications are needed to fill upcoming vacancies is communicated and provide feedback on the pre-screening process.

Concur:

Implementation of this recommendation is already underway. HRM management has begun to coordinate more closely with OGO in the management of ORSS in the areas of recruitment, meetings, new initiatives, and for overall increased communication. HRM and ORSS are beginning monthly OGO and HRM Monthly Coordination meetings that will include review of the detailed Recruitment Reports for reference on the status of hiring to more proactively advertise and recruit for current vacant positions and for those that are upcoming. Coordinated discussion on needed qualifications to fill upcoming vacancies will be a part of these coordination meetings.

Documents to be Submitted:

- This will be submitted with the documents provided in response to Recommendation 1.

Status and Timeline for Completion:

- March 31, 2014

Recommendation 5:

That the Office of Overseas Recruitment, Selection, and Support develop a set schedule for candidate roster development, issuance, and maintenance.

Concur:

The current practice is for ORSS to provide rosters to the Regions five months in advance of each Overseas Staff Training, (three times a year). HRM, ORSS and OGO will coordinate to increase the frequency of the issuance of rosters, and will clarify and communicate the dates these rosters will be created and provided.

Documents to be Submitted:

- This will be submitted with the documents provided in response to Recommendation 1.

Status and Timeline for Completion:

- March 31, 2014

Recommendation 6:

That the Office of Global Operations and Office of Overseas Recruitment, Selection, and Support implement a formalized process for the internal transfers of current post senior staff.

Concur:

M, HRM, ORSS and OGO have agreed on a formalized approach for the Internal Transfer process. The Internal Transfer Vacancy Opportunity Announcements for the CD, DPT, and DMO, along with the Operating Procedures, have been drafted and provided to the OGO and Regional Directorate management for review and comment. Once approved, these opportunity announcements will be issued. The transfer opportunities will then be announced on a regular cycle and HRM/ORSS will post these internal transfer opportunities in advance of each Overseas Staff Training session, on average three times a year.

Documents to be Submitted:

- Procedures and announcement for internal staff transfers.

Status and Timeline for Completion:

- March 31, 2014

Recommendation 7:

That the Office of Global Operations pursue a formalized approach to rover positions to ensure adequate coverage of unexpected post senior staff vacancies.

Concur:

As the preliminary audit report states, OGO has identified this concern and has also proposed a plan to address the issue of senior staff vacancies at posts. The Office of Global Operations will continue to work with the Regions and the agency's leadership to develop a more formalized approach to ensure adequate coverage of unexpected post senior staff vacancies.

Documents to be Submitted:

- A memorandum to the OIG detailing the plan to address senior staff vacancies at posts.

Status and Timeline for Completion:

- March 31, 2014

PERFORMANCE PLANS AND APPRAISALS

Recommendation 8:

That the Office of Global Operations, in coordination with the Office of Human Resource Management, incorporate consideration of the Annual Volunteer Survey (AVS) results into Country Directors' written performance appraisals in a consistent and meaningful way.

Concur:

The Country Director performance plans standards and elements already include the need to address AVS results related to Volunteer Support and Training and the Safety and Security of Volunteers. HRM and OGO management will further define the requirements for Country Directors' written performance appraisals to consistently incorporate and address the AVS results.

Documents to be Submitted:

- Revised guidance for the Regional Directors to perform the Country Directors' performance appraisals.

Status and Timeline for Completion:

- March 31, 2014

Recommendation 9:

That the Office of Global Operations, in coordination with the Office of Human Resource Management, determine how to overcome the timing differences between the Annual Volunteer Survey and annual written appraisals to better match the performance appraisal period and provide timely Annual Volunteer Survey results for inclusion in the annual written performance appraisals.

Concur:

As reflected in the response to Recommendation 8, HRM and OGO management will further define the requirements for Country Directors' written performance appraisals to consistently incorporate and address the AVS results in a more timely manner, including addressing the timing differences between the AVS and performance appraisal schedules.

Documents to be Submitted:

- Revised guidance for the Regional Directors to perform the Country Directors' performance appraisals.

Status and Timeline for Completion:

- March 31, 2014

Recommendation 10:

That the Office of Human Resource Management provides biennial training and guidance to all post rating officials on their role in conducting performance appraisals and the level of detail needed to provide adequate feedback.

Concur:

HRM provided mandatory Supervisory Performance Appraisal Training to all Peace Corps US Direct Hire domestic and overseas supervisors in June through September 2013, consistent with the Office of Personnel Management (OPM) guidance. HRM will continue to provide annual guidance to supervisors, along with reference policies and training materials on the Peace Corps intranet for supervisors' use. Additionally, HRM will provide all supervisors Peace Corps Supervisory Training that will provide guidance to supervisors on performance management that will include: how to prepare and provide employee performance appraisals; employee recognition; and how to address employee conduct and/or performance issues. Peace Corps management feels confident that HRM providing supervisory training as outlined here along with the tools provided on the intranet, in adherence with that required by OPM, is sufficient. Per OPM, supervisory training should occur within one year of the new supervisor's appointment, with retraining at least once every three years.

Per Title 5, Code of Federal Regulations (CFR):

> All agencies must provide for the development of individuals in supervisory, managerial and executive positions, as well as individuals whom the agency identifies as potential candidates for those positions, based on the agencies' succession plans. Agencies also must issue written policies to ensure they:
>
> **(a)** Design and implement leadership development programs integrated with the employee development plans, programs, and strategies required by 5 CFR 410.201, and that foster a broad agency and Government-wide perspective;
>
> **(b)** Provide training within one year of an employee's initial appointment to a supervisory position and follow up periodically, but at least once every three years, by providing each supervisor and manager additional training on the use of appropriate actions, options, and strategies to:
> > **(1)** Mentor employees;
> > **(2)** Improve employee performance and productivity;
> > **(3)** Conduct employee performance appraisals in accordance with agency appraisal systems; and,
> > **(4)** Identify and assist employees with unacceptable performance.

(c) Provide training when individuals make critical career transitions, for instance from non-supervisory to manager or from manager to executive. This training should be consistent with assessments of the agency's and the individual's needs.

Documents to be Submitted:

- Training slides and class schedule

Status and Timeline for Completion:

- December 31, 2013

Recommendation 11:

That the Office of Global Operations develop guidance and provide oversight of post senior staff performance appraisals to verify that each performance element is consistently addressed in the appraisal.

Concur:

HRM and OGO management will further define the requirements for Country Directors' written performance appraisals to consistently incorporate and address each performance element. In addition, HRM will continue to provide training and guidance on how to conduct performance appraisals and provide a quality control check to ensure that performance element is addressing the appraisals.

Documents to be Submitted:

- Performance appraisal guidance will be further developed and submitted.

Status and Timeline for Completion:

- March 31, 2014

Recommendation 12:

That the Office of Global Operations develop an accountability process to ensure all post senior staff appraisals are conducted and turned in within 30 days of the end of the performance period as required by policy.

Concur:

In addition to the HRM guidance and training provided regarding performance appraisals, OGO will develop a process with the Regional Directorates to achieve completion of post senior staff appraisals within 30 days of the end of the performance period.

Documents to be Submitted:

- OGO will develop an accountability process for the timely submission of performance appraisals.

Status and Timeline for Completion:

- March 31, 2014

COUNTRY DIRECTOR TERMINATIONS

Recommendation 13:

That the Office of Global Operations, in coordination with the Office of Human Resource Management, issue guidance and provide support to regional directors on how to handle performance issues and, when required termination of Country Directors.

Concur:

Country Directors serve at the pleasure of the Director and HRM provides management guidance in addition to assisting with composing the notification memo, as needed. HRM coordinates this process with the Regional Director, General Counsel representative, and Peace Corps management to include the Acting AD, OGO and the Director.
HRM will provide clarifying guidance to the Regional Directors on how to handle performance issues and when necessary, the appropriate guidance and procedures for termination of a Country Director.

Documents to be Submitted:

- OGO will develop an accountability process for submission.

Status and Timeline for Completion:

- March 31, 2014

APPENDIX C: OIG COMMENTS

Management concurred with all 13 recommendations. In its response, management described actions it is taking or intends to take to address the issues that prompted each of our recommendations. OIG acknowledges the actions the agency is taking to enhance the hiring of overseas staff positions, including: developing a more disciplined appraisal system, enhancing coordination between HRM and OGO, and revising the overseas hiring procedures.

All 13 recommendations remain open pending confirmation that remediation actions have occurred and supporting documentation listed in management's response is received. We wish to note that in closing recommendations, we are not certifying that the agency has taken these actions, or 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 D: AUDIT COMPLETION AND OIG CONTACT

AUDIT COMPLETION

Lead Auditor Rebecca Underhill, Auditor Renita Davis, and Expert Consultant Obie Shaw performed the Audit of the Peace Corps' Overseas Staffing. Lisa Chesnel, Logan Davis and Kaitlyn Large provided assistance in compiling the audit report.

Bradley Grubb
Assistant Inspector General for Audit

OIG CONTACT

If you wish to comment on the quality or usefulness of this report to help us strengthen our product, please email Assistant Inspector General for Audit Bradley Grubb, at bgrubb@peacecorps.gov, or call him at 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 contact the Office of Inspector General. Reports or complaints can also be made anonymously.

Contact OIG

Reporting Hotline:

U.S./International:	202.692.2915
Toll-Free (U.S. only):	800.233.5874

Email:	OIG@peacecorps.gov
Web Form:	peacecorps.gov/OIG/ContactOIG

Mail:	Peace Corps Office of Inspector General
	P.O. Box 57129
	Washington, D.C. 20037-7129

For General Information:

Main Office:	202.692.2900
Website:	peacecorps.gov/OIG
Twitter:	twitter.com/PCOIG