



# Peace Corps Office of Inspector General

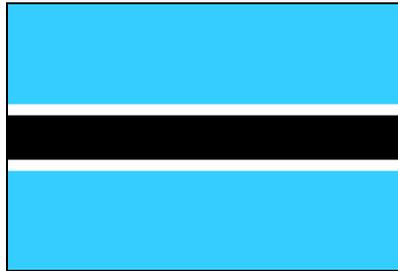
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*Peace Corps/Botswana Office  
Gaborone, Botswana*



*Elephants Along the Chobe River  
in northern Botswana*



*Flag of Botswana*

**FINAL AUDIT REPORT #IG-08-016-A**

**Peace Corps/Botswana**

**September 2008**



# **Final Audit Report: Peace Corps/Botswana**

A handwritten signature in blue ink, reading "Gerald P. Montoya". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

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Gerald P. Montoya  
Assistant Inspector General for Audits

**September 2008**

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## EXECUTIVE SUMMARY

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We found that, overall, Peace Corps/Botswana's financial and administrative operations were functioning effectively and complied with agency policies and federal regulations.

However, we noted areas that needed strengthening. Some of the more important findings are summarized below.

### Imprest Fund Management

The post's local currency was kept loose in the imprest fund safe, and the U.S. dollar cash box was not locked. In addition, the cashier did not change the safe's combination at least annually. Also, the cashier had signature cards on file for three employees no longer at the post.

### Volunteer Allowances

The post did not analyze the market basket data it had obtained for its living allowance survey for FY 2008 and use the results in determining the allowance's adequacy and justifying its increase. Further, the post did not perform a market basket survey for its living allowance and an independent price survey for its settling-in allowance for FY 2007.

### Billings and Collections

The post has been maintaining two billings logs: a manual log and, since June 2007, a ForPost-generated log. The manual log contained mispostings and other discrepancies. Further, a number of personal phone charges took numerous months to bill and collect.

### Property Management

The post's property inventory listing contained several discrepancies. Also, the post needs to determine the future use of three printers in the warehouse.

### Vehicle Management

All staff required to review the vehicle usage logs did not do so weekly. Further, the post's files did not contain written approvals for the non-official usage of vehicles. In addition, "In Case of Accident" cards were not affixed to the post's vehicles.

### Travel Management

International travel vouchers were not always signed by the travelers.

### Personnel Management

The post's 2008 official time and attendance records were inaccurate and incomplete, did not always reflect the information on the time sheets, and were posted even if staff did not submit time sheets to support the hours worked. Several time sheets were incorrectly

prepared but approved by supervisors. Further, certain staff did not submit their time sheets promptly, and we noted five time sheets for one staff member that had not been approved.

#### Procurement

The post did not have on file security clearance updates for those staff requiring them. It had requested the updates from the embassy's regional security officer.

#### Medical Supplies

The medical unit's inventory listing of medical supplies was not updated since December 2007, just prior to the departure of the previous full-time PCMO. The new PCMO commenced in late March 2008. In addition, the country director or designee did not perform monthly physical verifications of medical supplies inventories. Further, the medical unit did not have reference materials recommended by the Office of Medical Services.

The section "Post Staffing" includes a summary of comments from post staff and Volunteers whom we interviewed. Volunteers had complimentary comments about the post's staff.

Our report contains 22 recommendations, which, if implemented, should strengthen internal controls and correct the deficiencies detailed in the accompanying report.

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## INTRODUCTION

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The Office of Inspector General conducted an audit of Peace Corps/Botswana May 21 – June 13, 2008. This was the first audit of the post since its reopening in fiscal year 2003.

The Peace Corps entered the Republic of Botswana in 1966, shortly after it had achieved independence. During the next 31 years, over 2,000 Volunteers served here. In 1997, in light of Botswana's economic success, the Peace Corps decided to withdraw from the country. The severity of the HIV/AIDS epidemic in Botswana resulted in the agency's return in 2003. At the time of the audit, 55 Volunteers were working in four program areas: district AIDS coordinator, community capacity building, NGO capacity building, and life skills. An additional 54 Volunteers were sworn in June 18, 2008.

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

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## AUDIT RESULTS

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Peace Corps/Botswana's financial and administrative operations, in general, were functioning effectively and complied with agency policies and federal regulations.

However, we found that the post did not:

- Take adequate precautions to protect the imprest fund.
- Use the market basket information it had obtained to evaluate the adequacy of the Volunteer living allowance for fiscal year (FY) 2008, and conduct market basket surveys for the FY 2007 living allowance and independent price surveys for the FY 2007 settling-in allowance.
- Bill and collect in a timely manner for personal phone usage.
- Maintain accurate property records.
- Perform weekly reviews of the vehicle usage logs by all required staff.
- Keep complete and accurate time and attendance records.
- Maintain a current inventory listing of medical supplies and perform monthly inventory verifications.

The post corrected a number of deficiencies during the course of the audit after they were brought to post management's attention.

***The cashier did not keep currency in locked cash boxes.***

PCM section 760.9.5 states: “Each cashier should maintain a cash box with its own key or combination lock.” Further, PCM section 760.9.5.1 requires that U.S. dollar and local currency funds be kept in separate cash boxes.

We noted that the imprest fund’s local currency was kept loose in the safe and that the U.S. dollars were kept in an unlocked box in the safe. The cashier told us that she did not realize that locked boxes were required and that she did not have a key to the unlocked box.

Maintaining currency in locked boxes reinforces the security of one of the post’s high risk assets.

***The cashier did not change the safe’s combination at least annually.***

PCM section 760.9.4 states: “The combination [to the imprest fund safe] should be changed annually, whenever there is a change in cashiers, or whenever the combination becomes known to a person other than the cashier.”

The administrative officer told us that the cashier had changed the combination in November 2007 for the first time since she was hired as cashier in FY 2006.

Changing the safe’s combination as required complements the cashier’s accountability and responsibility for the post’s imprest cash.

***The cashier maintained signature cards for approving officials no longer at the post.***

Peace Corps Manual (PCM) section 760.6.1 requires that the cashier maintain on file the signatures of approving officials.

The cashier kept signature cards of the post’s approving officials. However, we found that she had retained the cards of the former country director, who departed the post in January 2007, the former APCD, who departed the post in FY 2007, and a temporary administrative officer who served in FY 2006. The administrative officer told us that he thought these signature cards might be useful as reference in the event questions arose regarding the propriety of signatures on prior documents.

Current signature cards are an important reference, particularly if someone other than the cashier is required to perform imprest functions.

During the course of the audit, the cashier removed from her file the signature cards of officials no longer at the post. Accordingly, no recommendation is required.

**We recommend:**

1. That the post obtain and use locked boxes to hold its local currency and U.S. dollars in the imprest fund safe.
2. That the cashier change the imprest fund safe's combination annually, when there is a change in cashiers, or whenever the combination becomes known to a person other than the cashier.

## **VOLUNTEER ALLOWANCES**

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*The post increased the living allowance in FY 2008 without considering the results of the market basket survey.*

PCM section 221.5.1 states: "Volunteers are entitled to a living allowance in order that they may serve effectively and safely overseas." To verify that the allowance is appropriate, PCM section 221.5.5.1 requires the post to conduct living allowance surveys at least annually.

Further, PCM section 221.5.7.2 requires that the post conduct a related market basket survey and use the results in verifying the results of the Volunteer survey. PCM section 221.5.7.3 states: "Increases or decreases to the base living allowance must be based on the findings of the Volunteer living allowance survey, as supported by the market basket survey...."

The post sent living allowance surveys to Volunteers in August 2007 and received an 82% response. In a February 6, 2008 concluding memo, the administrative officer stated: "The living allowance survey showed that most Volunteers reported that they are living within their allowance levels....From the data above, the results from the Volunteer survey do not support an increase."

The post nevertheless increased the allowance to provide for, according to the memo, "projected costs which have not been fully incorporated into [the Volunteer] survey responses," specifically in the areas of transportation, food, and for NGO-placed Volunteers, utilities. The country director told us that numerous Volunteers had informed her that costs were rising. Volunteers confirmed this to us during our interviews.

The post collected market basket data. However, after collecting the data, the post did not compile it, compare it with the results of the Volunteer survey, and use it in justifying

the increases to the living allowance. The administrative officer had no explanation why the market basket data was not compiled and used.

Market basket surveys are an essential element in determining the living allowance's adequacy and are required in supporting an increase.

During the course of the audit, the administrative officer compiled and analyzed the market basket data. The results confirmed the post's determination that the living allowance should be increased. Accordingly, no recommendation is being made.

***The post did not conduct market basket and independent price surveys for FY 2007.***

Posts are required, in conjunction with periodic Volunteer surveys, to conduct a market basket survey to verify the adequacy of the living allowance (PCM section 221.5.7.2) and an independent price survey to verify the adequacy of the settling-in allowance (PCM section 221.4.2).

While the post conducted Volunteer surveys for the FY 2007 living and settling-in allowances, it did not perform the related market basket and independent price surveys. The administrative officer had no explanation why these were not done. The post did perform surveys for the FY 2008 allowances and, accordingly, no recommendation is being made.

Properly executed surveys help ensure that Volunteers receive adequate allowances.

***The post did not have on file the approvals required for distributing living allowances quarterly.***

PCM section 221.5.5 states: "The living allowance shall be paid on a monthly basis unless an exception to this policy is approved in advance by the Chief Financial Officer (CFO) in consultation with the Region. The exception waiver is given on an annual basis and must be renewed annually, with a new request from the Country Director."

The post distributed living allowances to Volunteers quarterly. However, it did not have on file the required exception waiver. The country director and administrative officer told us they did not realize that it was required or know if it had been obtained by their predecessors.

Approval by Peace Corps/Headquarters ensures that there is agreement with the post's determination to use other than a monthly living allowance distribution.

During the course of the audit, the post obtained an exception waiver, which authorized payment of the Volunteer living allowances quarterly and, accordingly, no recommendation is being made.

## BILLINGS AND COLLECTIONS

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### *The post did not always bill and collect timely for personal phone charges.*

PCM section 777.8.0, “Amounts due from Agency Employees, Volunteers, Experts, etc.,” states that the billings officer “will issue a separate or summary bill at the end of each month.” In addition, PCM section 777.16.4 states: “An employee indebtedness should be settled promptly.”

Further, PCM section 777.15.1 states: “Aggressive action, on a timely basis with effective follow-up, shall be taken by the appropriate office heads or field officials to collect all claims....”

The post did not always bill and collect timely for personal phone calls made by staff. Examples are presented in the table below:

<b>Period of Phone Usage</b>	<b>Amount (Botswana pula*)</b>	<b>Date Billed</b>	<b>Date Collected</b>
Feb.-Aug. 2006	2,347.01	10/12/06	2/12/07
Nov. 2006	274.60	3/20/07	6/1/07
Dec. 2006	142.00	3/20/07	4/4/07
Jan. 2007	248.20	4/16/07	6/13/07
Mar. 2007	56.15	6/11/07	8/1/07

\* \$1 = approximately 6.4 pulas at the audit date.

The administrative officer told us that several delays in collection were due to disputes with a particular staff member, which the post resolved after an extended period. Other delays, he noted, were due to some staff’s not promptly identifying their personal charges on their phone bills.

The administrative officer showed us a number of follow-up e-mails requesting staff to identify personal charges and promptly return their phone bills or be billed for the entire amount. Such reminders have not always had the desired effect, and continued monitoring and control is required.

Timely billing and collection are essential elements in the management of post assets.

### *The post maintained two concurrent billings logs.*

The billings officer maintained a manual bills of collection (BOC) log. Beginning in June 2007, the BOC log became automated on ForPost. However, the billings officer continued to keep the manual log and rely upon it when identifying and following-up deficient collections.

Our review of the manual log disclosed missing information and mispostings, including:

- Dates and amounts placed in the wrong columns.
- Missing fiscal coding.
- Misposted collection date.
- Billings shown as cancelled or changed without explanation on the log.

The administrative officer told us that he reviewed and relied upon the ForPost log because it reflected actual recorded billings, and thus did not scrutinize the manual log.

A concurrent manual log containing errors may result in inadequate billings and collections of debts owed to Peace Corps.

**We recommend:**

3. That the post bill staff for personal phone charges within a timely period after the overall phone bill's receipt and promptly follow-up on delinquent replies.
4. That the post discontinue the manual bills of collections log and rely upon on the ForPost-generated log.

### **VOLUNTEER PROPERTY HELD FOR SAFEKEEPING**

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*The post kept the listings of Volunteer property held for safekeeping together with the property in the safe.*

To effectively safeguard Volunteer property held for safekeeping in accordance with PCM section 235, proper internal control requires that the listings or log of Volunteer property be maintained in a different location than the property itself.

The post kept the Volunteer property in a safe in the country director's office. However, the post also maintained the listings of property in the same safe.

During the course of the audit, the listings of Volunteer property were relocated to the administrative officer's office. Accordingly, no recommendation is required.

## PROPERTY MANAGEMENT

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### *The post's inventory listing contained several discrepancies.*

PCM section 511.5.5 requires that the post “ensure that all changes [to its inventory] have been entered in the property management database.”

We found that the post's inventory listing included a number of discrepancies, as follows:

- The number of the tag on the refrigerator in the medical unit kitchen was 222757 versus 241271 on the listing.
- The number of the tag on the microwave in the medical unit kitchen was 241270 versus 241271 on the listing.
- The shredder in the executive secretary's area, tag number 222752, was not on the listing.
- The LAN modem, tag number 222809, was listed as being in the IT specialist's office but was actually in the warehouse.

An accurate inventory listing is an important tool in controlling post assets.

### *The post needs to determine the usability of three printers in storage.*

PCM section 511.8.0 states: “Worn out or excess property must be disposed of in a timely fashion.”

We observed three printers in the warehouse that have not been used in several years and may not be in operating condition. The general services officer (GSO) told us that he would review their usability and, in consultation with the administrative officer, take action accordingly.

#### **We recommend:**

5. That the post review its property inventory listing and ensure that it is accurate.
6. That the post determine if the three printers in the warehouse are in operating condition and are to be used in the future and, if not, dispose of them.

## VEHICLES MANAGEMENT

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***All required personnel did not review, initial, and date the vehicle usage logs weekly.***

PCM section 527.5.4 requires that the administrative officer, the staff member responsible for initiating vehicle repairs and maintaining the vehicle records, and the staff member responsible for billing authorized, non-official vehicle use review, initial, and date the vehicle usage logs weekly.

While the GSO reviewed, initialed, and dated the vehicle usage logs weekly as required, the administrative officer did so only monthly. Further, they were not reviewed by the staff member responsible for billing authorized, non-official vehicle use.

Review of the logs is important to verify that the post's vehicles are being used appropriately.

***The post did not have on file the required written approvals for authorized use of post vehicles.***

PCM section 522.4.3 requires that the post obtain written authorizations and, in some cases, Chief of Mission concurrence for authorized use of Peace Corps vehicles by staff.

We noted that U.S. direct hire staff had used post vehicles in such situations as their first and last 90 days at the post. However, the post's files did not contain the required written authorizations.

The country director told us that she had approved the usage of the vehicles but that the formal authorizing documentation had not been prepared.

***The post did not affix "In Case of Accident" cards to its vehicles.***

PCM section 524.2 states, "Staff members should affix to each Peace Corps vehicle a card instructing occupants what to do in case of an accident." The policy also delineates the information that the form, entitled "In Case of Accident," should contain.

We noted that cards providing such information were kept in the vehicles but were not affixed to them and visible to the occupants. The GSO told us that he did not realize they needed to be affixed and that he would place them prominently on the front dashboards.

The card is important to let passengers know what to do in case of an accident, particularly if the driver is unavailable or incapacitated.

**We recommend:**

7. That the required staff members perform weekly reviews of the vehicle usage logs.
8. That the post obtain the written authorizations required for authorized uses of Peace Corps vehicles and maintain these in the post's files.
9. That the post affix "In Case of Accident" cards in a prominent location in the vehicles.

**TRAVEL MANAGEMENT**

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***Staff did not always submit their travel vouchers within five days of a trip's completion.***

PCM section 812.18.10 states that travel vouchers "must be completed and submitted within five working days after completion of travel."

Two of the twenty vouchers, both for international travel, we reviewed for submission timeliness were late without explanation. For these two trips, staff members submitted their vouchers 12 and 11 business days after their trips' completion.

During the course of the audit, the administrative officer issued a reminder to the staff that they submit their travel vouchers timely.

***Staff did not always sign their international travel authorizations.***

PCM section 812.18.1.1 states that the travel authorization (TA) "constitutes the legal basis for performing official travel and incurring related expenses." Signing the TA documents the traveler's agreement with its provisions.

We noted that most staff did not sign their international TAs. Post management did not instruct the staff to sign them.

The administrative officer told us that he provided to the staff a TA form sent to him from headquarters and did not realize that an updated form, with a "signature of traveler" line, had been issued.

During the course of the audit, the administrative officer issued an instructive memo to the staff and placed the updated TA form in use.

**We recommend:**

10. That the administrative officer monitor the staff's compliance with the requirement to submit travel vouchers within five working days after completion of travel.
11. That the administrative officer ensure that international travel authorizations are signed by travelers before they are approved.

**PERSONNEL MANAGEMENT**

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*The post's 2008 official time and attendance records were inaccurate and incomplete.*

PCM sections 742.6.1 and 630.4.6 provide guidance in proper time and attendance procedure. We found deficiencies in the timekeeper's control over and posting of time and attendance. These include the following:

- The official time and attendance records, which are maintained on Form PC-57, did not always reflect the information on the time sheets. For example, one staff member's time sheet indicated that he had taken 16 hours of leave. However, the official records indicated that he had worked those days.
- A few staff members did not submit their time sheets promptly. We noted eleven time sheets which the timekeeper told us had just been received by her: five time sheets for one PSC, which did not have evidence of supervisory approval, and six time sheets for another PSC. However, despite the absence of timesheets, the official records had been posted for these staff members.
- Some time sheets were incorrectly prepared, but yet approved.
- Compensatory balances existing at the end of 2007 were zeroed out due to a misunderstanding by the timekeeper. We noted negative compensatory time balances in the 2008 records resulting from time used by staff members who, in fact, had valid carryover hours.
- The official records had not been posted since the end of March 2008.

The administrative officer expressed concern at our findings. He told us that he reviews the official time and attendance records semi-annually, as evidenced by his signatures on the 2007 records, and that he had not yet performed his review of the 2008 records.

**We recommend:**

12. That the timekeeper bring the official time and attendance records up to date and, on an ongoing basis, post them promptly after the receipt of staff's approved time sheets.
13. That the timekeeper ensure that she receives all time sheets when they are due and that verify that they have been approved.
14. That the timekeeper post the official records only after she has received approved time sheets.
15. That the timekeeper correct the compensatory time balances zeroed out at the end of 2007.
16. That the administrative officer remind staff of the importance of submitting their time sheets promptly.
17. That the administrative officer review the 2008 time and attendance records and verify they are accurate.

**PROCUREMENT**

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***The post did not have on file security clearance updates.***

PCM section 743 requires that the post obtain security clearances for its personal services contractors (PSCs) from the embassy's regional security officer (RSO). In addition, updates are required every five years.

At the time of the audit, five PSCs required security clearance updates. The administrative officer had sent a request to the embassy's RSO, but the updates had not been received.

Security clearances are important in ensuring that individuals' backgrounds are compatible with Peace Corps employment.

**We recommend:**

18. That the post obtain from the embassy's regional security officer security clearance updates for those PSCs' requiring them and place these in the PCSs' files.

## **MEDICAL SUPPLIES**

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### ***The post's medical supplies inventory was incomplete and inaccurate.***

PCM section 734.2.1.6 and Medical Technical Guideline 200.6 state: "The PCMO [Peace Corps Medical Officer] is responsible for establishing the accuracy of inventories, maintaining appropriate controls, and ensuring the proper usage of all medical supplies and equipment."

We noted that the inventory listing of medical supplies had not been updated since December 2007, prior to the January 2008 departure of the full-time PCMO. The new PCMO arrived at the post in late March 2008. In addition, we were told by the area medical officer, who was visiting the post to train the new PCMO and to help organize the medical unit, that he had found expired drugs in inventory and had them removed for destruction.

To properly serve the Volunteers, it is essential that an accurate medical supplies inventory listing be maintained and that expired drugs be removed from the inventory.

### ***The country director or designee did not perform monthly inventory verifications.***

PCM section 734.2.1.6 and Medical Technical Guideline 200.6 state: "A general inventory of supplies must be taken at least every month by the Country Director or designee."

We found that the country director or designee did not perform monthly inventory verifications. The country director told us that she was unaware that these were required.

Periodic verifications are an important element of internal controls over inventories.

### ***The post's medical unit did not have key reference books in its library.***

Medical Technical Guideline 200.9.4 states: "PCMO's should maintain a selection of medical reference books and reference materials to assist in case management and in the production of training and educational materials."

We noted that the medical unit's library did not contain materials recommended by the agency's Office of Medical Services and enumerated in the related policy, such as "Physician's Desk Reference" and "Control of Communicable Diseases in Man." The area medical officer told us that he had noted this deficiency and had provided the PCMO with a list of reference materials to obtain.

**We recommend:**

19. That the PCMO update the medical supplies inventory.
20. That the PCMO ensure that expired drugs are removed from the medical unit's shelves and destroyed.
21. That the country director or designee perform monthly inventory verifications of medical supplies.
22. That the PCMO, in consultation with the area medical officer, acquire an appropriate selection of reference materials for the medical unit.

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## POST STAFFING

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At the time of our visit, the post had 22 staff positions: three U.S. direct hire employees, one foreign service national, and 18 personal services contractors (including one part-time position).

We interviewed 11 staff members, including two of the three U.S. direct hires, the safety and security coordinator, and the full-time Peace Corps medical officer. The staff told us that they very much enjoyed working for the Peace Corps. Many stated that the favorite part of their job was interacting with and supporting the Volunteers. Several staff members asked about training or cross-training opportunities to strengthen their job performance skills and to grow professionally.

Volunteers we interviewed praised the post's management and staff, using descriptive phrases such as "supportive and encouraging," "interested in me personally," "responsive," "helpful," and "gets things done." One Volunteer commented: "The staff want us to succeed. They really care." Volunteers also told us that they had received effective ongoing support and assistance from the administrative unit, and complimented the administrative officer for his personable and problem-solving manner and his responsiveness to Volunteer questions and issues.

### PC/Botswana Positions

Position	Status
Country Director	USDH
Executive Secretary	PSC
Administrative Officer	USDH
Associate Peace Corps Director - Generalist	USDH
Safety and Security Coordinator	PSC
Peace Corps Medical Contractor	PSC
Peace Corps Medical Contractor (part-time)	PSC
Program Manager	PSC
Program Coordinator	PSC
Program Assistant	PSC
Training Manager	PSC
Language and Cross-Cultural Coordinator	PSC
Cashier	FSN
Financial Assistant	PSC
Administrative Assistant	PSC
IT Specialist	PSC
General Services Manager	PSC
Driver / Logistician	PSC
Drivers (2)	PSC
Medical Receptionist	PSC
Receptionist	PSC

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## LIST OF RECOMMENDATIONS

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**We recommend:**

1. That the post obtain and use locked boxes to hold its local currency and U.S. dollars in the imprest fund safe.
2. That the cashier change the imprest fund safe's combination annually, when there is a change in cashiers, or whenever the combination becomes known to a person other than the cashier.
3. That the post bill staff for personal phone charges within a timely period after the overall phone bill's receipt and promptly follow-up on delinquent replies.
4. That the post discontinue the manual bills of collections log and rely upon on the ForPost-generated log.
5. That the post review its property inventory listing and ensure that it is accurate.
6. That the post determine if the three printers in the warehouse are in operating condition and are to be used in the future and, if not, dispose of them.
7. That the required staff members perform weekly reviews of the vehicle usage logs.
8. That the post obtain the written authorizations required for authorized uses of Peace Corps vehicles and maintain these in the post's files.
9. That the post affix "In Case of Accident" cards in a prominent location in the vehicles.
10. That the administrative officer monitor the staff's compliance with the requirement to submit travel vouchers within five working days after completion of travel.
11. That the administrative officer ensure that international travel authorizations are signed by travelers before they are approved.
12. That the timekeeper bring the official time and attendance records up to date and, on an ongoing basis, post them promptly after the receipt of staff's approved time sheets.
13. That the timekeeper ensure that she receives all time sheets when they are due and that verify that they have been approved.
14. That the timekeeper post the official records only after she has received approved time sheets.

15. That the timekeeper correct the compensatory time balances zeroed out at the end of 2007.
16. That the administrative officer remind staff of the importance of submitting their time sheets promptly.
17. That the administrative officer review the 2008 time and attendance records and verify they are accurate.
18. That the post obtain from the embassy's regional security officer security clearance updates for those PSCs' requiring them and place these in the PCSs' files.
19. That the PCMO update the medical supplies inventory.
20. That the PCMO ensure that expired drugs are removed from the medical unit's shelves and destroyed.
21. That the country director or designee perform monthly inventory verifications of medical supplies.
22. That the PCMO, in consultation with the area medical officer, acquire an appropriate selection of reference materials for the medical unit.

## APPENDIX A

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### OBJECTIVE, SCOPE, AND METHODOLOGY

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

The audit of Peace Corps/Botswana covered fiscal years 2007 and 2008 through April 30, 2008. While at the post, we interviewed key staff including the country director, the administrative officer, staff responsible for administrative support, and the full-time medical officer. We also interviewed 12 Volunteers to obtain their views on the effectiveness of the post's administrative and financial systems in supporting them. At the end of our audit, we briefed the country director and administrative officer. At headquarters, we conducted a general briefing for regional staff.

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

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

## **APPENDIX B**

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# **MANAGEMENT'S RESPONSE TO THE PRELIMINARY REPORT**

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Since 1961.

**To:** Kathy Buller, Inspector General  
**From:** Henry McKoy, Director, Africa Region  
**Date:** September 17, 2008  
**Subject:** Response to the Preliminary Report on the Audit of Peace Corps/Botswana conducted in May 2008

The Africa Region thanks the Office of the Inspector General for the Preliminary Report on the Audit of Peace Corps/Botswana. Post is very appreciative of the feedback presented through this audit.

Attached please find our response to the OIG report on Peace Corps Botswana. Post's responses have been reviewed and integrated into this response. The Africa Region will continue to work with Peace Corps Botswana's staff to ensure full implementation of the OIG recommendations.

Please let me know if you have any questions or comments on any of our responses. Region greatly appreciates your guidance and support as the actions taken to respond to the recommendations presented in this report are fully implemented.

#### Attachments

cc: David Liner, Chief of Staff  
Lynn Foden, Chief of Operations  
Peggy McClure, Country Director  
John Dimos, Chief Compliance Officer  
Thomas Bellamy, Acting Chief Financial Officer  
Carey Fountain, Chief Acquisition Officer

## **Preliminary Audit Report Recommendations – PC/Botswana**

### **1. That the post obtain and use locked boxes to hold its local currency and U.S. dollars in the imprest fund safe.**

Concur.

Post has purchased a lockable MMF Echelon Steel Security Case to hold its local currency, and a Master Lock locking cash box to hold its U.S. dollars. The Echelon case has arrived at Post and is now in use. The Master Lock cash box is still en-route from the United States via pouch mail, and will be placed in use immediately upon arrival.

### **2. That the cashier change the imprest fund safe's combination annually, when there is a change in cashiers, or whenever the combination becomes known to a person other than the cashier.**

Concur.

On September 3, 2008, Post changed safe combinations for the cashier's safe, Country Director's safe, and Administrative Officer's safe. The safe combinations had all been previously changed in November 2007. Post will continue to change the safe combinations regularly, in accordance with regulations.

### **3. That the post bill staff for personal phone charges within a timely period after the overall phone bill's receipt and promptly follow-up on delinquent replies.**

Concur.

Post has historically had some instances of delayed staff payments of bills for phone charges. These have sometimes related to extended periods of staff leave or time away from the office during Pre-Service Training.

The Country Director and Administrative Officer have resolved to redouble Post efforts in aggressively enforcing prompt payment of phone bills. The Billing Officer has been instructed to refer all open collections after 30 days to the Country Director and Administrative Officer for their immediate joint and personal follow up. Penalties will be enforced on staff who fail to make payment within 30 days, including loss of the P20 (approx. \$3) discount applied to staff phone bills.

### **4. That the post discontinues the manual bills of collections log and rely upon on the ForPost-generated log.**

Concur.

The manual BOC log has been discontinued.

**5. That the post review its property inventory listing and ensure that it is accurate.**

Concur.

The Administrative Officer has reviewed the property inventory listing with the General Services Officer. Upon review, a few minor additional corrections were made to bring the inventory up to date as of September 2008.

**6. That the post determine if the three printers in the warehouse are in operating condition and are to be used in the future and, if not, dispose of them.**

Concur.

Post has decided to auction the equipment in question. The equipment has been set aside and designated for transport to the auction house. The next public auction will be held in November 2008.

**7. That the required staff members perform weekly reviews of the vehicle usage logs.**

Concur.

Since the audit, Post is now carrying out weekly reviews of the vehicle usage logs by the General Services Officer, Billing Officer, and Administrative Officer. Post is including sample signed vehicle logs from June, July, and August 2008 as supporting documentation. (Please see attached documentation)

**8. That the post obtain the written authorizations required for authorized uses of Peace Corps vehicles and maintain these in the post's files.**

Concur.

Post obtained retroactive Chief of Mission authorizations required for use of Peace Corps vehicles on August 15, 2008, and is including them as supporting documentation. (Please see attached documentation)

**9. That the post affix "In Case of Accident" cards in a prominent location in the vehicles.**

Concur.

Post has affixed 8.5" x 11" "In Case of Accident" cards to the passenger side of the dashboards of all six Peace Corps official vehicles. This information had previously been kept in the vehicles but had not been affixed to the dashboards.

**10. That the administrative officer monitor the staff's compliance with the requirement to submit travel vouchers within five working days after completion of travel.**

Concur.

For all international travel that has taken place since the audit visit, travelers have submitted travel vouchers within five working days after completion of travel. The Administrative Officer will continue to remind all travelers of this requirement. Travel vouchers for all such travel have been included as supporting documentation.

**11. That the administrative officer ensure that international travel authorizations are signed by travelers before they are approved.**

Concur.

Since the audit, Post has begun requiring that all international travel authorizations be signed by travelers. (Please see attached documentation)

**12. That the timekeeper bring the official time and attendance records up to date and, on an ongoing basis, post them promptly after the receipt of staff's approved time sheets.**

Concur.

Post acknowledges that in 2008, signed timesheets have not always been posted promptly on PC-57 forms by the timekeeper. This has led to some isolated instances when staff used more comp time than they were entitled to, though all such situations have been resolved. The Administrative Officer has worked closely with the timekeeper to update all 2008 PC-57 time and attendance records, and he or the Country Director have reviewed and signed all such records showing time and attendance through pay period 17 (August 30, 2008). All updated PC-57 time and attendance records are included as supporting documentation. (Please see attached documentation)

**13. That the timekeeper ensure that she receives all time sheets when they are due and that verify that they have been approved.**

Concur.

The Country Director and Administrative Officer have worked closely with the timekeeper to stress the importance of making sure all staff turn in timesheets on time, and also offering their services to personally encourage timely staff submission as necessary. This message has also been highlighted in staff meetings where the preliminary audit findings were discussed.

In order to improve its handling of time and attendance, Post has purchased two "Pyramid 4000 Totalizing Payroll Time Recorders." These are time clocks with time cards which all staff will be required to use to clock in and clock out every day. The resulting time cards will

then make it very easy for all staff to prepare their biweekly time sheets in a timely manner and not fall behind. The new time clocks are expected to arrive from the U.S. in a few weeks.

Further, Post is establishing a new policy in which the timekeeper will send a reminder to all staff on the first Monday following the pay period that time sheets are due. If any staff member has not submitted a timesheet within 5 working days of the reminder, the timekeeper will send a second follow up e-mail to that staff person, with a copy to the Country Director and Administrative Officer. The CD and AO will then personally intervene with that staff member to enforce compliance.

**14. That the timekeeper post the official records only after she has received approved time sheets.**

Concur.

The Country Director and Administrative Officer have begun stressing 3 important issues: a) the importance of timely submission of timesheets, b) increased attention and personal follow-up on this issue from the CD and AO, and c) the installation of new time clocks that will be used to record time and attendance. By taking these actions, post is confident of greatly improved timely submission of timesheets and allowing the timekeeper to post official records in a timely fashion.

**15. That the timekeeper correct the compensatory time balances zeroed out at the end of 2007.**

Concur.

In reviewing the 2008 PC-57 time and attendance records, the Administrative Officer corrected the 2008 starting balances for compensatory time that had mistakenly not been carried over from 2007.

**16. That the administrative officer remind staff of the importance of submitting their time sheets promptly.**

Concur.

See response to Recommendation 13.

**17. That the administrative officer review the 2008 time and attendance records and verify they are accurate.**

Concur.

See response to Recommendation 12.

**18. That the post obtain from the embassy's regional security officer security clearance updates for those PSCs requiring them and place these in the PSCs' files.**

Concur.

Post has verified with the Regional Security Officer that security clearance update investigations have been completed for all PSCs requiring them. Post has received documentation for all of these except one, which the RSO is processing and expects to deliver shortly. Documentation of these security clearances is included as supporting documentation. (Please see attached documentation)

**19. That the PCMO update the medical supplies inventory.**

Concur.

The Country Director has worked with the Medical Officers to update the medical supply inventory. Post certifies that the inventory is accurate as of August 31, 2008, and will take steps to ensure it stays updated continually. Post is also exploring alternative software options that will assist with the automation of the medical inventory process.

**20. That the PCMO ensure that expired drugs are removed from the medical unit's shelves and destroyed.**

Concur.

Country Director has worked with the Medical Officers concerning removal of outdated drugs and supplies. Post certifies that outdated medical supplies have been removed and destroyed, and will take steps to ensure that this remains the case. Post has requested samples of electronic medical inventories in use by other posts that Botswana could implement that would allow easy identification of expiration dates.

**21. That the country director or designee perform monthly inventory verifications of medical supplies.**

Concur.

The Country Director performed a monthly verification on September 5, 2008, and will continue to do so on a monthly basis.

**22. That the PCMO, in consultation with the area medical officer, acquire an appropriate selection of reference materials for the medical unit.**

Concur.

Post has ordered a selection of medical reference materials from the U.S. The books are expected to arrive shortly via pouch mail. They include:

*Control of Communicable Diseases Manual; Physician's Desk Reference; Mosby's Physical Examination Handbook; Clinical Dermatology; Current Medical Diagnosis and Treatment; Harrison's Principles of Internal Medicine; Prentice Hall's Nurse's Drug Guide; Practical Gynecology; Merck Manual; Taking Charge of your Health (Pamphlet); Coping with Change (Pamphlet); You and Your Teeth (Pamphlet); Allergies and You (Pamphlet); You and Your Weight (Pamphlet); Balanced Diet on Balanced Budget (Pamphlet); About Headaches (Pamphlet)*

## APPENDIX C

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### OIG COMMENTS

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Management concurred with all 22 of the recommendations. We closed all recommendations.

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

## APPENDIX D

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### AUDIT COMPLETION AND OIG CONTACT

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#### AUDIT COMPLETION

The audit was performed by senior auditor Steven Kaffen.

#### OIG CONTACT

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

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