

REPORT
on the Follow-up Audit
of
Peace Corps/Zambia
IG 07-04-FUA
January 2006

Peace Corps
Office of Inspector General



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TABLE OF CONTENTS

INTRODUCTION	1
BACKGROUND	1
REVIEW OF MANAGEMENT ACTIONS.....	1
President’s Emergency Plan for AIDS Relief Expenditures	2
Imprest Fund.....	3
Volunteer Allowances	5
Travel.....	6
Leases	6
SCOPE AND METHODOLOGY	6
APPENDIX A: Management’s Response to Recommendation nos. 1 - 12	

INTRODUCTION

Audit Background. The Office of Inspector General audited Peace Corps/Zambia August 8 - 25, 2005 and reported 12 audit recommendations for management action.¹ As part of our continuing oversight responsibilities, we conducted a follow-up review of management's agreed upon actions to verify the status of open and closed recommendations for the 12 audit recommendations. Our review was conducted September 8-16, 2006 and the results of our follow-up review were provided to PC/Zambia prior to departure from the post.

Management Response. Management had concurred with nine of the audit recommendations and did not fully concur with the other three recommendations in our original audit report. Based on their responses, we closed nine recommendations and three recommendations were left open pending confirmation of management actions from the chief compliance officer.

During our follow-up audit, we re-opened one recommendation that was previously closed.

Audit Objective. The objective of this audit was to verify the status of management actions in response to our previous audit recommendations.

BACKGROUND

The first group of Peace Corps/Zambia Volunteers was sworn in on April 7, 1994. At the time of our visit, Volunteers were working in the following projects: Agriculture, Education, and Health.

An agreement between the Department of State/Office of the U.S. Global Aid Coordinator and Peace Corps dated June 23, 2004 included the President's Emergency Plan for AIDS Relief (PEPFAR) funding for PC/Zambia based on the country operating plan.

REVIEW OF MANAGEMENT ACTIONS

During our on-site visit, we verified and closed nine of the 12 recommendations as a result of management actions. However, we determined that three recommendations remain open awaiting additional management action. During our follow-up audit, we re-opened recommendation no. 10 that was previously closed. We closed recommendation no. 1 that was previously open.

¹Audit and Program Evaluation of Peace Corps/Zambia, (Report IG-06-12-AE), issued May 2006, contained 12 audit recommendations and 13 program evaluation. This follow-up report is a review of the 12 audit recommendations.

A summary of the status of each audit recommendations is shown in Table 1 below followed by a detailed analysis for each recommendation.

Table 1. Status of Audit Recommendations as of September 2006

Audit Area	Number of Recommendations Closed	Number of Recommendations Open	Open Recommendation Number(s)
PEPFAR Expenditures	1	0	
Imprest Fund	4	2	6 and 7
Volunteer Allowances	1	1	10
Travel	1	0	
Leases	1	0	
Total	9	3	

VERIFICATION OF MANAGEMENT ACTIONS

Each item below includes our recommendation, management’s response and the results of our verification. In the boxes below, we have condensed management’s response. See Appendix A for management’s complete response, dated March 14, 2006, to report IG-06-12-AE’s audit recommendations.

President’s Emergency Plan for AIDS Relief Expenditures

- 1. That the region reimburse the Emergency Plan program for \$127,410.41 spent on items not in the approved COP.*

Management’s Response: The post concurred with items 8 and 13, did not concur with items 1, 2, 3, 4, 6, 7, 9, 10, and 11, and partially concurred with items 5 and 12. Their response stated that that the post will reimburse PEPFAR for items 8 and 13 and a portion of items 5 and 12 for a total of \$14,611.13.

OIG Headquarter’s Verification: Recommendation closed. We verified that the post had obtained approval for a portion of the questioned costs and that the post and the country director reimbursed PEPFAR for a portion of the unapproved expenditures.

Imprest Fund

2. *That the post comply with agency policy as contained in OFMH section 8.2 in issuing cash advances.*

Management's Response: Concurred.

OIG On-site Verification: Recommendation closed. We verified that the post complied with agency policy and that no staff member had received more than one advance at any given time.

3. *That the country director arrange for an annual audit of the imprest fund by a qualified and independent person.*

Management's Response: Concurred.

OIG On-site Verification: Recommendation closed. We verified that the country director had arranged for an audit of the imprest fund by a qualified and independent person. The imprest fund audit was conducted on March 8, 2006.

4. *That the country director become involved in the management of the imprest fund as required by the OFMH.*

Management's Response: Concurred.

OIG On-site Verification: Recommendation closed. We verified that the country director had been actively involved in the management of the imprest fund. She also observed the imprest fund verification and imprest fund audit review during the follow-up audit to gain additional understanding of her role in managing the imprest fund.

5. *That the post purchase a file cabinet with a bar lock and cash box for each Provincial house to secure sub-cashier funds.*

Management's Response: Concurred.

OIG On-site Verification: Recommendation closed. We verified that file cabinets with bar lock capability and cash boxes that could be locked had been distributed to the Provincial houses.

6. That the billing officer issue a bill of collection to each staff for his/her portion of unallowable costs in Table 4, e.g. for meals and beverages, and for all other personal charges.

Management's Response: The post concurred, partially concurred and did not concur with items in our recommendation. The post concurred with items 10, 18, and 19 (\$196.73), partially concurred with items 3 and 9 (agreeing to repay \$878.33 of \$1032.29) and did not concur with items 1, 2, 4 – 8, 11- 17, 20, and 21 (\$18, 367.95). Management's response to recommendation nos. 6 and 7 were combined.

OIG On-site Verification: Recommendation open. We verified that not all disallowed expenses had been refunded.

7. That the billing officer issue bills of collection to the country director for the unallowable expenses in Table 4 not covered by billing to staff under recommendation 6.

Management's Response: The post concurred, partially concurred and did not concur with items in our recommendation. The post concurred with items 10, 18, and 19 (\$196.73), partially concurred with items 3 and 9 (agreeing to repay \$878.33 of \$1032.29) and did not concur with items 1, 2, 4 – 8, 11 - 17, 20, and 21 (\$18,367.95). Management's response to recommendation nos. 6 and 7 were combined.

OIG On-site Verification: Recommendation open. Our comments for Report IG-06-12-AE stated that the regional director had to specifically approve any expenditure that the post did not concur with as unallowable, or the post staff or the country director had to refund the expenditures. We have not received a list of allowable expenditures approved by the regional director.

We verified that a full collection was made for items 9, 10, 18, and 19.

For item 3, management agreed to repay ZMK 3,523,750 (equivalent to \$750.00). As of our audit, only ZMK 1,771,000 (\$376.94) had been collected. We received an email from the post's administrative officer that stated, "no additional receipts were issued because the remainder of the charge was towards Volunteers and Counterparts." The balance of ZMK1,752,750 (equivalent to \$373.06) will remain open until a collection is made or the region specifically approves the uncollected differences.

8. *That the cashier maintain signature of approving officials.*

Management's Response: Concurred.

OIG On-site Verification: Recommendation closed. We verified that the cashier had a signature card with all required signatures.

Volunteer Allowances

9. *That the post complete the settling-in allowance survey at least annually.*

Management's Response: Concurred.

OIG On-site Verification: Recommendation closed. We verified that the post completed settling-in allowance surveys for Volunteer training groups in 2005 and 2006.

10. *That the post comply with PCM section 223.12 by sending notification e-mail within 24 hours after a Volunteer leaves service.*

Management's Response: Concurred.

OIG On-site Verification: Recommendation open. We verified that the post was not complying with PCM section 223.12. The post does not notify headquarters within 24 hours after a Volunteer leaves services.

Travel

11. That the post cease issuing travel authorizations and cash advances to non-Peace Corps staff.

Management's Response: Concurred.

OIG On-site verification: Recommendation closed. At the time of the audit, we verified that the post had issued no interim cash advances or paid any travel vouchers to non-staff personnel.

Leases

12. That post comply with OFMH section 21.0 when preparing leases.

Management's Response: Concurred.

OIG On-site Verification: Recommendation closed. We verified that the post was following OFMH section 21.0 when preparing leases.

SCOPE AND METHODOLOGY

The results of our audit conclusions are based on information gathered from three sources: (1) document and data analysis, (2) interviews, and (3) direct observation. Our audit follow-up was conducted in accordance with the governmental auditing standards prescribed by the Comptroller General of the United States.

While at the post, we interviewed key staff: the country director, the administrative officer, staff responsible for administrative support, and a Volunteer leader. At the end of our review, we briefed the country director and administrative officer.

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. Our scope was limited to verification of the status of audit recommendations found in the Audit and Program Evaluation of Peace Corps/Zambia, (Report IG-06-12-AE) issued May 2006.

APPENDIX A. Management's Response

**Management's Response to Audit Recommendation nos. 1 - 12
Peace Corps/Zambia IG-06-12-AE**

Responses to Preliminary Report on the Audit and Program Evaluation of Peace Corps/Zambia

The Office of Inspector General conducted an audit and program evaluation of Peace Corps/Zambia August 8-25, 2005. The audit was conducted by Assistant Inspector General for Evaluation and Inspection Alice Bunker, Assistant Inspector General for Audit Marshall Henderson and Evaluator Lynn Khadiagala. The preliminary report was presented to the Africa Region on December 9, 2005. The following are the Office of Inspector General's twenty five recommendations and Region/Post's responses.

RECOMMENDATION #1: That the region reimburse the Emergency Plan program for \$127,410.41 spent on items not in the approved COP.

Concurrence: Post concurs, partially concurs and does not concur as indicated in the matrix below.

Corrective Action: The country operating plan (COP), per guidance from the Office of the Global AIDS Coordinator (OGAC), produces a fairly high level summary of program activities and budget. PC/Washington required PC/Zambia to submit a proposal for review at headquarters before it was included in the COP and submitted to OGAC for approval. Thus, the PC/Zambia proposal with its budget formed the basis for the approved COP. This is included as Appendix A. PC/Washington reviewed and approved the PC/Zambia proposal, including its budget, for participation in PEPFAR 2004—this proposal and budget in combination formed the basis for the COP that was approved by OGAC for PEPFAR 2004. It must be emphasized that OGAC treated PEPFAR planning and implementation as an “emergency,” often ahead of final guidance being provided. Additionally, the approved proposal states, (section 4): “This project will be implemented in two phases, the first phase being activities in FY ‘04...The FY ‘04 activities will be **preparation work** (emphasis added) for the stand-alone project activities for the project using the Crisis Corps concept.”

In order to better connect programming and administrative staff with the approved COP and proposal relative to the approved budget, the CD has initiated monthly review meetings of the PEPFAR budget and program with these staff.

Date: March 30, 2006.

No.	Date	Description	USD	Coded As	Concur / Do Not Concur
1	2/25/05	Construction of Storeroom	9,081.00	Other Services	<i>Do Not Concur</i>
2	2/10/05	Cooker for CCV House	225.00	Other Services	<i>Do Not Concur</i>
3	2/15/05	Lunch for CCVs	33.19	In-country travel	<i>Do Not Concur</i>
4	2/23/05	Welcome Lunch for CCVs	196.22	Other Services	<i>Do Not Concur</i>
5	12/9/04	Construction of Guard House	4,850.00	Other Services	Partially Concur
6	9/22/04	Purchase of vehicle	33,094.00	Motor vehicle	<i>Do Not Concur</i>
7		Part time staff (driver, janitor)	3,100.00	Other Services	<i>Do Not Concur</i>

8		Book for PC Director	28.00	Supplies	Concur
9		Construction of PEPFAR offices	30,000.00	Other Services	<i>Do Not Concur</i>
10		Office shredder	1,576.00	Equip&Furn	<i>Do Not Concur</i>
11		Lounge suite for HIV offices	2,796.00	Equip&Furn	<i>Do Not Concur</i>
12		Office copiers	40,191.08*	Equip&Furn	Partially Concur
13	12/30/04	Lawn mower	1,981.00	Equip&Furn	Concur
		Total	\$127,151.49		

*** Please note that post has corrected the USD amount for the copiers.**

Notes for each recommendation:

1. Do not concur: The approved budget of PC/Zambia's PEPFAR proposal, section 3, includes a line item labeled "office renovations," which was estimated to cost \$10,000. It is reasonable to expect that a storeroom is part of office needs. This storeroom is used entirely for PEPFAR and HIV/AIDS purposes.
2. Do not concur: The approved budget of PC/Zambia's PEPFAR proposal, section 6, includes a line item labeled "settling allowances x 20 (for 20 CCVs). The budget was estimated at \$3,100. Only five CCVs were fielded; one of the houses for the CCVs did not include several items of basic furniture. PC/Zambia elected to use "lapsed" funds from this line item to cover the cost of a cooker on the basis that it is essential for the health and welfare of the volunteer.
3. Do not concur: This lunch was part of the CCVs' orientation and training program during the time when the CCVs were eligible for per diem (M&IE). PC/Zambia withheld the lunch portion of the CCVs per diem and provided lunch instead as part of a training exercise away from the central training location.
4. Do not concur: This lunch was part of the CCVs orientation and training program during the time when the CCVs were eligible for per diem (M&IE). Counterparts were included in this orientation and training program as a way to enhance the training for the benefit of the volunteers. PC/Zambia withheld the lunch portion of the CCVs and the counterparts' per diem and provided lunch instead as part of a training exercise.
5. Partially Concur: Part of this item was incorrectly posted to PEPFAR. PC/Zambia has taken corrective action and completed a journal voucher for ForPost on March 3, 2006 in the amount of \$2025. The remaining \$2825 was used in the construction of the PEPFAR building.
6. Do not concur: The approved budget, section 3, includes a line item labeled "4 x 4 vehicle" at a budget amount of \$40,000.00. Post correctly purchased the vehicle using PEPFAR funds.
7. Do not concur: The approved budget, section 1, includes line items for support staff to be funded by PEPFAR at a total budgeted amount of \$157,000. Although the budget does not specifically mention part time staff, it is reasonable to expect post to engage part time staff under this budget section. Post did not engage an APCD direct hire with PEPFAR funds, creating a substantial savings in this

budget section. OGAC did not provide written guidance on how a post should reprogram funds at this stage of PEPFAR; however, OGAC provided oral guidance directly to PC/Washington that funds could be reprogrammed for the same purpose. Post initiated such reprogramming in order to engage the part time staff.

8. Concur: A bill of collection will be given to the Country Director by March 30, 2006.
9. Do not concur: The approved PEPFAR budget, section 3, includes a line item labeled “office renovations,” which was estimated to cost \$10,000. In addition, the proposal indicates that “FY ‘04 (referring to PEPFAR ’04) activities will be preparation work” for participation in PEPFAR. In section 1 of the approved budget, five full-time positions are listed as part of post’s PEPFAR program. It is reasonable to expect that these individuals will need office space from which to operate. It was clearly post’s intention to provide these staff with office space as is further evidenced by the budget line items for computers, desks, chairs, cupboards, and equipment. Without the office space, these staff would not be in a position to perform their duties to implement the PEPFAR program; post did not have sufficient existing space to accommodate these new staff. The new space only houses staff working on PEPFAR and HIV/AIDS purposes. Although the cost of construction exceeded the line item for office renovations in section 3 of the budget, post was able to reprogram funds from savings under section 3 according to the limited guidance at the time—the reprogramming was used for the same purpose (i.e., office & equipment purchase).
10. Do not concur: The shredder is housed in the PEPFAR office space and is used entirely for PEPFAR and HIV/AIDS purposes. Section 3 of the budget allows for office and equipment purchase.
11. Do not concur: This furniture is housed in the PEPFAR office space and is used entirely for PEPFAR and HIV/AIDS purposes. Section 3 of the budget allows for office and equipment purchase.
12. Partially concur: One office copier (\$13,748.26) is housed in the PEPFAR office space and is used entirely for PEPFAR and HIV/AIDS purposes. Section 3 of the budget allows for office and equipment purchase. Another copier is housed at the PST site (\$26,442.82). Approximately 60% of its use is for PEPFAR and HIV/AIDS training purposes. Three of the five projects in Zambia or 60 percent of the projects that use this PST copier have an HIV/AIDS component. The remaining 40 percent (\$10,577.13) of the cost will be reimbursed to the PEPFAR funds. The amounts listed above were the true costs of the copiers and vary slightly from the IG report.
13. The lawn mower was incorrectly charged to PEPFAR funds. Post will correct this error by March 30, 2005.

Concur	USD
No. 8	\$28.00
No. 13	\$1981.00
Amount that post will repay (Nos. 8 + 13)	\$2009.00

Partially Concur	USD
Will be refunded: No. 5 No. 12	\$2025 \$10,577.13
Amount that post WILL repay (portion of Nos. 5 + 12)	\$12,602.13

Will not refund: No. 5 No. 12	\$2825 \$29,613.95
Amount that post SHOULD NOT repay (portion of Nos. 5 + 12)	\$32,438.95

Do not Concur	USD
Amount that post SHOULD NOT repay	\$80,101.41

TOTAL	USD
TOTAL amount that post WILL Repay (Nos. 8, 13 and portion of 5 and 12)	\$14,611.13
TOTAL amount that post does not concur with and SHOULD NOT repay	\$112,540.36

RECOMMENDATION #2: That the post comply with agency policy as contained in OFMH section 8.2 in issuing cash advances.

Concurrence: Post concurs

Corrective Action: Post is complying with agency policy per OFMH section 8.2 in issuing cash advances. Each staff member may have only one advance at a time.

Date: Beginning January 2006 and on-going.

RECOMMENDATION #3: That the country director arranges for an annual audit of the imprest fund by a qualified and independent person.

Concurrence: Post concurs

Corrective Action: An audit was conducted on March 8, 2006 by an USAID employee, a former Peace Corps Administration Officer.

Date: March 8, 2006.

RECOMMENDATION #4: That the country director becomes involved in the management of the imprest fund as required by the OFMH.

Concurrence: Post concurs

Corrective Action: The country director is now involved in the management of the imprest fund as required by the OFMH. The CD and AO are using both the OFMH and Financial Management Checklist for CDs that was sent to the field by Director Vasquez in implementing this recommendation.

Date: Beginning January 2006 and on-going.

RECOMMENDATION #5: That the post purchase a file cabinet with a bar lock and cash box for each Provincial house to secure sub-cashier funds.

Concurrence: Post concurs

Corrective Action: Post concurs and will implement immediately.

Date: April 1, 2006

RECOMMENDATION #6: That the billing officer issue a bill of collection to each staff for his/her portion of unallowable costs in Table 4, e.g. for meals and beverages, and for all other personal charges.

Concurrence: Post concurs, partially concurs and does not concur with specific parts of this recommendation as noted in the matrix below.

Corrective Action: Response included as part of #7.

Date: April 15, 2006.

RECOMMENDATION #7: That the billing officer issue bills of collection to the country director for the unallowable expenses in Table 4 not covered by billing to staff under recommendation 6.

Post would like to respond to recommendations 6 and 7 together.

Concurrence: Post concurs, partially concurs and does not concur with specific parts of this recommendation as noted in the matrix below.

Corrective Action: Post will more precisely document and itemize the costs of all training related expenditures. When counterparts are involved in a training event, post will prepare and submit a copy of the agenda for the program and a list of participants when the financial documents are submitted to Peace Corps Washington.

Date: April 15, 2006.

Table 4

No.	Date	Description	Amount in Local Currency (ZMK)	Amount in USD	Concur / Do Not Concur
1	6/22/04	LIFE Picnic: This was a PST event, now called an NGO fair. It is a learning activity where NGOs working on HIV/AIDS come and share information with trainees. Meals were provided to Volunteers and Trainees during the event, but no allowances were provided except incidental.	337,200	\$72.91	<i>Do Not Concur</i>
2	6/30/04	Welcoming lunch for CAHP: When Trainees arrived in the country, Post provided Trainees and Volunteers with lunch. M&IE not provided for this meal. This was budgeted as part of PST.	4,190,500	\$901.18	<i>Do Not Concur</i>
3	8/12/04	Luncheon for G. Vasquez: 25 Volunteers attended the luncheon and were not provided with M&IE (406,250 ZMK). Balance of 3,523,750 ZMK will be repaid by staff members through BOCs by April 15, 2006.	3,930,000	\$836.17	<i>Partially Concur</i>
4	12/31/04	Key and Pen holders: Key holders are part of home-stay supplies given to Trainees to ensure that their keys are secure. These are keys to their rooms in their CBT homes.	110,000	\$23.78	<i>Do Not Concur</i>
5	1/2/05	20 Mug cups: Mug cups were purchased for mess hall at PST to replace the normal attrition from Trainee use.	80,000	\$17.30	<i>Do not concur</i>
6	2/2/05	Beverages for Home-stay Meeting: In preparation of Trainee arrival, a series of meetings is held with home-stay families to ensure that they fully understand their roles. During this meeting, families demonstrate how different types of meals are prepared using their own resources; Peace Corps provides refreshments consumed with the meals. These meetings take approx 4-6 hours.	72,000	\$15.57	<i>Do Not Concur</i>
7	2/9/05	Developing film for LTM Trainees: Photos developed from this film were used for Trainee photos for identification purposes. This	37,950	\$8.21	<i>Do Not Concur</i>

		was before post acquired a camera.			
8	2/9/05	Lunch for CC during field trip: During field trips, food is bought for Volunteers because in most of these remote sites, there are no facilities to buy ready meals. Lunch money was subtracted from the Volunteer/ Trainee M&IE.	153,500	\$33.19	- <i>Do Not Concur</i>
9	2/11/05	Welcome lunch for CCVs: Volunteers, counterparts and staff were provided with meals and the lunch portion of the M&IE was not given to them. However, BOCs in the amount of \$128.33 will be issued by March 30, 2006 to the seven staff members who ate lunch with the Volunteers.	907,500	\$196.22	<i>Partially Concur</i>
10	2/11/05	Charcoal for night guards: Night guards at PCVL residences are provided with charcoal for warmth. This practice has been stopped with immediate effect. A BOC will be issued to the Admin Officer/Country Director by March 14, 2006.	45,000	\$9.73	Concur
11	2/14/05	Beverages for Valentine's Day: This was part of the PST activity. Trainees, Volunteers and Staff did not get M&IE during this event.	109,600	\$23.70	<i>Do Not Concur</i>
12	2/14/05	Volleyball net and ball: This is purchased for recreation and training use. Apart from recreation it is also used as part of language training. All participants (Trainees and Trainers) are expected to use local language while playing. This equipment is stored at the training site and only used only during IST and PST trainings.	540,000	\$116.76	<i>Do Not Concur</i>
13	2/14/05	Meals during Valentine's Day: This is part of the PST activity and Trainees, Volunteers and Staff did not get M&IE during this event.	1,000,000	\$216.22	<i>Do Not Concur</i>
14	2/16/05	Accommodation bar: This was a security bar purchased by the PCVL in Kasama to better secure the house when he was not there.	100,000	\$21.62	<i>Do not Concur</i>
15	2/24/05	50 red ribbons: Red ribbons were purchased and given to Trainees because it was part of training to sensitize everyone on HIV/AIDS in Zambia. We refer to Legal Opinion #99-073, dated August 9, 1999, as well as in the September 13,1999 Appendix to this opinion which support the above cited opinion. This opinion cites 22 U.S. C.2501 (a) (Congressional declaration of purpose) stating that the Act authorizes the use of appropriated funds to train HCNs or for HCNs to participate in training events where the goal is enabling the Volunteers to succeed in their work.	250,000	\$54.05	<i>Do Not Concur</i>
16	3/19/05	Snacks for Counterparts: Meals were provided to counterparts because there	75,500		<i>Do Not</i>

		was no place to buy food and no M&IE was given to them.		\$16.32	<i>Concur</i>
17	3/30/05	Decorations for swearing in ceremony: This is the final PST event where Trainees are sworn in as Volunteers and handed over to the respective government ministries. This event is very significant to everyone, and is typically attended by the US Ambassador as well as by counterparts and senior Zambian government officials. Peace Corps tries to make the venue as presentable as reasonably possible by decorating with balloons, ribbons etc.	210,000	\$45.41	<i>Do Not Concur</i>
18	4/3/05	Payment for hiring mobile disco: A local music group was hired as part of the swearing-in event for the CAHP/LTM Volunteers. A BOC will be issued to the Admin Officer/Country Director by March 14, 2006.	500,000	\$110.50	Concur
19	4/12/05	3500 red ribbons: Red ribbons were purchased for Volunteers and counterparts. A BOC will be issued to the Country Director by March 30, 2006.	350,000	\$76.50	Concur
20	7/29/05	Counterpart lodging, fuel, per diem: These expenditures were a budgeted and critical element in the IST held in August 2005 for both the CAHP and LTM Volunteers. The counterparts were used as trainers. We see these expenditures as consistent with Legal Opinion #93-121, dated December 29, 1993, and OFMH, section 35.7, both of which state that HCNs may participate in Peace Corps training "as trainers", or "in any other circumstances where in the judgment of the Peace Corps their participation enhances the training of the Volunteers". We also refer to Legal Opinion #99-073, dated August 9, 1999, as well as in the September 13, 1999 Appendix to this opinion which support the above cited opinion. This opinion cites 22 U.S. C.2501 (a) (Congressional declaration of purpose) stating that the Act authorizes the use of appropriated funds to train HCNs or for HCNs to participate in training events where the goal is enabling the Volunteers to succeed in their work.	45,000,000	\$10,801.73 *	<i>Do not concur</i>
21	8/8/05	Counterpart lodging, fuel, per diem: These expenditures were a budgeted and critical element in the swearing in ceremony for the HAP and LIFE and LTM Trainees in July 2005. The same legal/policy justifications for the use of appropriated funds cited for item #20 above likewise applies to this item.	25,000,000	\$6,000	<i>Do not concur</i>
		Total	82,998,750	\$19,597.07	

***Please note that post has corrected the currency conversion error in the preliminary report.**

Concur	Local Currency: Zambian Kwacha (ZMK)	USD
No.10	45,000	\$9.73
No.18	500,000	\$110.50
No.19	350,000	\$76.50
Amount that post will repay (Nos. 10 + 18 + 19)	895,000	\$196.73

Partially Concur	LC (ZMK)	USD
Will be refunded: No. 3	3,523,750	\$750
No. 9	603,151	\$128.33
Amount that post WILL repay (portion of Nos. 3 + 9)	4,126,901	\$878.33

Will not refund: No. 3	406,250	\$86.17
No. 9	304,349	\$67.89
Amount that post SHOULD NOT repay (portion of Nos. 3 + 9)	710,599	\$154.06

Do not Concur	LC (ZMK)	USD
Amount that post SHOULD NOT repay	77,266,250	\$18,367.95

TOTAL	LC (ZMK)	USD
TOTAL amount that post WILL Repay (Nos. 10, 18, 19 and portion of 3 and 9)	5,021,901	\$1,075.06
TOTAL amount that post does not concur with and SHOULD NOT repay	77,976,849	\$18,522.01

RECOMMENDATION #8: That the cashier maintain signature of approving officials.

Concurrence: Post concurs

Corrective Action: Recommendation was immediately implemented by post. The cashier will maintain signatures of approving officials.

Date: Beginning January 20, 2006 and on-going.

RECOMMENDATION #9: That the post completes the settling-in allowance survey at least annually.

Concurrence: Post concurs

Corrective Action: Settling-In allowance survey already conducted with the CAHP and LTM Volunteers who swore in April 2005. The results of the survey were sent to the RD on January 17, 2006 for approval to increase the Settling-In Allowance.

Date: This request was approved on February 16, 2006.

RECOMMENDATION #10: That the post comply with PCM section 223.12 by sending notification e-mail within 24 hours after a Volunteer leaves service.

Concurrence: Post concurs

Corrective Action: Post is complying with PCM section 223.12 by sending notification email within 24 hours after a Volunteer leaves service.

Date: Beginning January 2006 and on-going.

RECOMMENDATION #11: That the post cease issuing travel authorizations and cash advances to non-Peace Corps staff.

Concurrence: Post concurs

Corrective Action: Post has ceased issuing travel authorizations and cash advances to non-Peace Corps staff.

Date: Beginning January 2006 and on-going.

RECOMMENDATION #12: That post comply with OFMH section 21.0 when preparing leases.

Concurrence: Post concurs

Corrective Action: On January 18, 2006, post requested authority from the office of contracts for IFO to pay for leases with U.S. dollars. The Ambassador approved this request on March 10, 2006.

Date: March 10, 2006