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Date: March 31, 2023

Subject: Final Audit Report: Audit of the Peace Corps' Volunteer Payments and Collections at the End of Service (IG-23-02-A)

Transmitted for your information is our final report on the Peace Corps' Volunteer Payments and Collections at the End of Service.

Management concurred with eight of the nine recommendations. They did not concur with recommendation number three, that the calculations of the evacuation allowance payments process be automated.

Based on the additional documentation provided by the agency, we will close recommendation numbers: 1 and 6. The other seven recommendations will remain open. In its response, management described actions it is taking or intends to take, to address the issues that prompted six of these 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. 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.

You may address questions regarding follow-up or documentation to Assistant Inspector General for Audit Judy Leonhardt at 202.692.2914 or to Lead Auditor Renita Davis at 202.692.2937.

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

cc:

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Peace Corps Office of

INSPECTOR GENERAL

Final Audit Report

Volunteer Payments and Collections at the End of Service

IG-23-02-A
March 2023

EXECUTIVE SUMMARY

BACKGROUND

The COVID-19 pandemic significantly impacted Peace Corps domestic and overseas staff and operations across the globe. On March 15, 2020, the Peace Corps made the difficult decision to temporarily suspend Volunteer operations for all Peace Corps posts. Almost 7,000 Peace Corps Volunteers and Trainees were evacuated from 62 countries and their service was suspended.

Prior to the pandemic, Peace Corps established policies and procedures for post closure emergencies. The Overseas Financial Management Handbook (OFMH) 39.3.2 outlines how posts should prepare Volunteers for departure with regard to “Money Matters,” which includes closing bank accounts, collections, and payments. Completing all necessary steps, such as accounting for and collecting outstanding funds, was a significant undertaking for post staff because of the unprecedented scale of the evacuation.

Headquarters staff also played an important role in the financial responsibilities of posts emergency closure procedures. The Office of Chief Financial Officer (OCFO) /Global Accounts Payable (GAP) provides fiscal oversight for the management of Peace Corps Volunteer and Trainee personnel records, claims and reimbursements, accounts receivable, imprest funds, debt collections and other cash activities. OCFO was also responsible for calculating and/or processing evacuation and wellness stipend payments to Evacuated Peace Corps Volunteers (EPCVs). In addition, The Office of Gifts and Grants Management (GGM) administers and manages the Peace Corps Small Grants Program in coordination with Office of Global Health and HIV (OGHH) and OCFO/GAP.

In performing this audit, we acknowledge the challenge of responding to a global pandemic and evacuation order. We note that in a number of instances, posts and headquarters offices took the opportunity to reconcile any outstanding issues between March 2020 and the start of this audit, in August 2022.

OBJECTIVE

The objective of this audit is to determine whether the OCFO and the GGM collected or issued bills of collections to Volunteers for overpaid allowances¹ and grant funds.

WHAT WE FOUND

While most of the overpaid Volunteer allowances and grant funds transactions were collected and processed accurately, the directors of management and operations, CFO/GAP, GGM, and OGHH, did not consistently design and implement policies and procedures to detect and prevent errors. Specifically, the agency did not:

- Consistently review Volunteer evacuation allowance payments for seven of the 752 payments sampled to ensure disbursements were accurate.
- Properly reconcile five out of the 67 grant files sampled to ensure the completion reports were accurate and bills of collections were created for the correct amount.

¹ In this audit, we also reviewed wellness stipend payments.

RECOMMENDATIONS IN BRIEF

Our report contains nine recommendations. We recommend the OCFO ensure:

- Adjustments are applied to underpaid Volunteers of approximately \$2,750.
- Accurate calculation of future evacuation allowance payments through automation.
- Collections for evacuation overpayments of approximately \$9,800.

In addition, we recommend the OCFO, in collaboration with the relevant directors of management and operations and/or other headquarters offices, to:

- Collect approximately \$3,040 of unused grant funds from Volunteers or OCFO issue approved waivers.
- Reimburse a Volunteer approximately \$112 for over-charged grant funds.
- Update the policies and procedures to address changes in the grant system from Peace Corps Grants Online (PCGO) to Volunteer Reporting and Grants system (VRG).
- Provide consistency with grant review to include a headquarters review of final grant closure documentation for Volunteer Activities Support and Training (VAST), Feed the Future (FtF), and Global Education Framework (GEF) projects.

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BACKGROUND

POST CLOSURE

The COVID-19 pandemic significantly impacted Peace Corps domestic and overseas staff and operations across the globe. Overseas posts are organized into three regions: Africa; Europe, Mediterranean, and Asia; and Inter-America and Pacific. As of March 2020, the Peace Corps had active programs in 62 countries that were administered through 58 overseas posts.

In March 2020², nearly 7,000 Peace Corps Volunteers and Trainees were evacuated and safely returned to their homes of record. After the issuance of a State Department global authorized departure, the agency also evacuated nearly all overseas American staff and reduced the physical presence of host country staff.

Prior to the pandemic, Peace Corps established policies and procedures for post closure emergencies. OFMH 39.3.2 outlined how posts should prepare Volunteers for departure with regard to “Money Matters,” which included closing bank accounts, collections, and payments.

Volunteers were instructed to close out their bank accounts or, if they were unable to do so, contact the bank for alternative means of closing out the accounts. Additionally, OFMH directed post staff to resolve collections and payment issues for Volunteers’ living allowances, leave allowances, outstanding travel, and unspent grant funds.

The Post staff were instructed to bill and collect the amounts owed directly from the Volunteers or advise the Volunteers in writing that debts would be collected from funds remaining in local bank accounts. Completing all necessary steps, such as accounting for and collecting outstanding funds, was a significant undertaking for post staff because of the unprecedented scale of the evacuation.

In addition, post staff had to identify amounts owed to the Volunteer by Peace Corps. The disbursements were paid to Volunteers’ United States bank account via electronic funds transfer.

VOLUNTEER ALLOWANCES

While in their country of assignment, Peace Corps Volunteers (PCVs) receive monthly allowances including living, leave, travel, and other miscellaneous allowances. Due to the global pandemic that abruptly closed their services, evacuation allowances were issued to EPCVs to assist with their transitions home.³ In April 2020, the Peace Corps Director authorized wellness stipends to all EPCVs to address the negative externalities of the pandemic and to mitigate the near-term health and wellness needs of the EPCVs.

Prior to January 2022, Peace Corps Manual Section (MS) 221.5.8 required living allowances to only cover the days that a Volunteer served, and collection was necessary if a Volunteer terminated service before the month’s end. Since the pandemic, the agency revised the policy to eliminate the requirement to collect partial living allowance payments for close of service Volunteers. To align this updated policy with ongoing collection efforts, the Chief Financial Officer waived the debt for overpaid living

² On March 15, 2020, the decision was made to temporarily suspend Peace Corps Volunteer operations

³ Manual Section 221, Volunteer Allowances.

allowance for PCVs that ended service prior to January 27, 2022, and served at least one day within the month.

PEACE CORPS SMALL GRANTS PROGRAM

The goal of the Peace Corps Small Grants Program is to develop and implement sustainable grassroots projects that build capacity in communities where PCVs serve. The Small Grants program is comprised of the following external funding sources, which support the Peace Corps program listed under each:

1. Private sector donations
 - Peace Corps Partnership Program (PCPP) grants,
 - Let Girls Learn (LGL) grants,
2. United States Agency for International Development (USAID)
 - Small Program Assistance (SPA) grants,
 - Feed the Future (FtF) grants,
 - Global Education Framework (GEF) grants,
3. President's Emergency Plan for AIDS Relief (PEPFAR)
 - Volunteer Activities Support and Training (VAST) grants.

The management of grant funds is separated between two offices, the GGM and OGH. GGM oversees and manages the solicitation and acceptance of monetary and in-kind gifts for private sector and USAID funded grants. VAST grants are managed by OGH. OGH provides technical and programming advice regarding grant-supported health and HIV/AIDS interventions. Both offices verify compliance for specific grant requirements, perform program administration in the agency's financial systems, review grant documentation, interpret grant requirements, and maintain grant records. Additionally, GGM coordinates with other headquarters offices to establish standards and policies for the small grants program.

The Small Grants handbook suggests PCVs are to spend all their grant funds, and if they do not, the handbook specifies that Volunteers return unspent grant funds to the post. As the pandemic caused global operations to unexpectedly cease, there were some grant funds with remaining amounts.

THE OFFICE OF THE CHIEF FINANCIAL OFFICER

MS 128 states that OCFO is responsible for providing financial planning, oversight, and internal controls for domestic and overseas operations. Specifically, the OCFO/GAP provide prompt and accurate payments for all agency domestic and overseas operations in accordance with federal regulations and Peace Corps policy. In addition, OCFO/GAP provides fiscal oversight for the management of Peace Corps Volunteer and Trainee personnel records, claims and reimbursements, accounts receivable, imprest funds, debt collections and other cash activities. OCFO was also responsible for calculating and/or processing evacuation and wellness stipend payments to Evacuated Peace Corps Volunteers (EPCVs) as well as maintaining financial systems related to the Peace Corps Small Grants Program.

OBJECTIVE

The objective of this audit is to determine whether OCFO and GGM collected or issued bills of collections to Volunteers for overpaid allowances and grant funds. For more information on the methodology used, see Appendix A. For a list of Federal requirements, Peace Corps policies, and procedures used as criteria, see Appendix D.

RESULTS

OVERVIEW

During the audit, we reviewed control activities relating to Volunteer payments and unspent grant funds. GAO's *Standards for Internal Control in the Federal Government*, Principle 10 – Design Control Activities. 10.01 states, “Management should design control activities to achieve objectives and respond to risk.” Specifically, 10.04 states,

“A preventive control activity prevents an entity from failing to achieve an objective or address a risk. A detective control activity discovers when an entity is not achieving an objective or addressing a risk before the entity’s operation has concluded and corrects the actions so that the entity achieves the objective or addresses the risk.”

While management established policies and procedures to achieve objectives and respond to risks in the internal control system, it did not always ensure these procedures were consistently and effectively implemented to prevent or detect evacuation allowance overpayments and errors with grant collections. We noted that most of the overpaid Volunteer allowances and grant funds were collected and accurately processed, but we found errors that were not identified by post staff and headquarters offices, such as OCFO/GAP, GGM, or OGHH, due to insufficient oversight.

In performing this audit, we acknowledge the challenge of responding to a global pandemic and evacuation order. We note that in a number of instances, posts and headquarters offices took the opportunity to reconcile any outstanding issues between March 2020 and the start of this audit, in August 2022.

VOLUNTEER EVACUATION ALLOWANCE PAYMENTS

OCFO did not consistently review Volunteer evacuation allowance payments to ensure disbursements were accurately made to eligible recipients.

Our review of evacuation allowance payments found that the ad-hoc manual calculation method used to process the volume of evacuation allowance payments lacked control activities to prevent and detect risk, leading to inaccurate payments.

We reviewed 752 evacuation allowance payments and identified seven errors where payments were not properly disbursed to EPCVs, resulting in approximately \$9,800 in overpayments and underpayments totaling approximately \$2,750. We noted that 13 Volunteers received duplicate evacuation allowance payments totaling \$58,500. OCFO/GAP identified 11 of the 13 payments as improper payments in fiscal year 2020. However, two payments remained undetected by OCFO/GAP, resulting in two EPCVs receiving overpaid evacuation allowances totaling \$9,000.

Three EPCVs were paid incorrect allowance rates. One EPCV was paid at the \$475 extension rate instead of \$375 per month resulting in an overpayment of \$800. Meanwhile, two extension EPCVs, eligible for the \$475 rate, were paid at the lower rate of \$375 per month, resulting in an underpayment of \$2,000. In addition, two EPCVs were underpaid \$375 because they did not receive evacuation allowance

payments for March 2020. When reviewing OCFO's manual calculations, we noted that the two EPCVs were not included in OCFO/GAP's calculation worksheets.

GAO's *Standards for Internal Control in the Federal Government* states that management should design appropriate types of controls. Specifically, 10.06 states, "Automated control activities tend to be more reliable because they are less susceptible to human error and are typically more efficient." OCFO/GAPs use of manual calculations to determine evacuation payments resulted in inaccurate payments. Currently, GAP does not have adequate procedures in place to prevent and detect overpayments.

Although an evacuation at the scale of March 2020 is unlikely to reoccur, Peace Corps' posts could continue to experience evacuations due to a multitude of political and environmental factors. As these future evacuations will necessitate evacuation allowance payments, OCFO should develop an automated evacuation allowance calculation process to reduce the risk in disbursing payments. Evacuation Allowances are issued to EPCVs to support them when they return home, making overpayments difficult to collect and underpayments financially burdensome.

We recommend that:

- 1. The Office of Chief Financial Officer issue evacuation allowance payments to the underpaid Volunteers, totaling approximately \$2,750.**
- 2. The Office of Chief Financial Officer waive or collect the Volunteer overpayments totaling approximately \$9,800.**
- 3. The Office of Chief Financial Officer develops an automated process to calculate evacuation allowance payments.**

GRANTS

Directors of Management and Operations (DMOs) and GGM did not consistently review grant documentation to ensure accuracy in the reconciliation of the grant files and collections calculations.

We reviewed 67 grants from 21 posts in the VRG and noted that the agency designed effective control activities in MS 720, the Peace Corps Small Grants Handbook, and issued supplemental guidance to posts. However, the procedures were not consistently implemented. The *Small Grants Guidance for Evacuated Posts* states the following:

- 1) "If any amount of project funds have been expended the Volunteer should fill out the completion report in PCGO⁴..., including the final budget and upload all receipts for funds spent to date...
 - a) In case receipts are lost or destroyed, the Volunteer must submit a completed the Unusual Project Expenditure Documentation Memorandum to document how funds were spent. If the receipts are not available but the Volunteers has photos showing completed work and/or expense log, these must be attached to the memorandum and submitted

⁴ Peace Corps Grants Online (PCGO) was decommissioned and grant files were transferred to a new system called Volunteer Reporting Grant System

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- to post staff by uploading it to PCGO. Post staff will then complete the Unusual Project Closure Approval Memorandum and upload it to PCGO.
- b) The Volunteer must return unused funds to the cashier. Post will create a bill of collection and upload it to PCGO to show funds were returned.
 - c) If it is not possible to return unused funds before departure, the Volunteer should check with staff about authorizing staff to withdraw (subject to in-country banking rules) unused project funds from the Volunteer's bank account to reconcile the final budget.”

In addition, MS 720 states that the DMO is responsible for reviewing the project completion documentation, which includes certifying the receipts have been received and ensuring that fiscal accounting is accurate and final project balances reconcile.

However, the DMOs did not consistently ensure grant files were complete and accurately reconciled. We identified five grants in which the post did not accurately calculate, collect, or receive proper documentation for unspent grants.

Two grant files did not properly document how or if approximately \$2,912 was spent on the grant. The grant files did not contain grant receipts, a description of the grant expenditures, an unusual project closure approval memo, or a bill of collection (BOC). One of those grant files contained an unusual project closure approval memo, however, the file was missing the BOC and a description of the grant expenditures. According to the unusual project closure approval memorandum and a complaint received by our office, the Volunteer was scammed out of approximately \$800. However, \$2,480 in expenditures were undocumented by receipts or a project expenditure documentation memorandum explaining how the remaining funds were spent. The other grant file consisted of a completion report and an inaccurate BOC. The file was missing receipts totaling about \$289 and an unusual project closure approval memo. In addition, the BOC was miscalculated because it added the community contribution of \$143 as part of the Volunteer's grant expense. Without proper oversight by the DMO and headquarters, errors contained in the grant files would be undetected, resulting in the post being unable collect the appropriate amount of unspent grant funds.

In addition, two grant files were not properly reconciled because of missing receipts resulting in uncollected balances of approximately \$128. According to the DMOs, these errors occurred because of untrained personnel performing the grant close out, misreading receipts, and possibly losing data during the conversion of the grant system.

We also noted that one post miscalculated the BOC for one grant resulting in the Volunteer being overcharged approximately \$112. The error occurred because the post converted the unspent balance to USDE instead of local currency. As the grant was issued and spent using local currency, post staff should have conducted all calculations in local currency to avoid introducing discrepancies caused by differing exchange rates.

The agency did not consistently provide oversight for the grant closure process because the DMOs, GGM and OGHH did not always review all documentation or ensure unused funds were returned. MS 720 procedure states,

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“For PCPP, LGL and SPA, Peace Corps headquarters will then review all documentation, ensure unused funds have been returned (if needed) and appropriate paperwork submitted. Headquarters staff will communicate any needed changes to the small grants coordinator. Timely attention to these emails—by the small grants coordinator and PCV—will ensure a smooth closeout process. Headquarters staff officially close the grant by changing the status to “Project Completed” in PCGO.”

Furthermore, Peace Corps did not have policies or procedures for headquarters to review VAST grants and ensure unused funds were returned and appropriate paper submitted. Four out of the five grant errors were related to VAST. By not consistently implementing the necessary procedures to ensure grant files are accurately closed out, the agency risks erroneously overcharging Volunteers or not collecting the appropriate unused grant funds prior to a Volunteer’s departure. Although the number of errors were low, delayed billings are difficult to collect once the Volunteer departs post and could cause an unexpected financial liability to the Volunteer. In addition, unused grant funds could be used to support future grant projects.

We recommend that:

- 4. The Office of Chief Financial Officer and the directors of management and operations determine whether the Volunteers can account for \$2,912 of VAST grant expenses and complete an unusual project expenditure memorandum and unusual project closure approval memo. If the Volunteer is unable to document the grant expenses, issue a bill of collection for \$2,912.**
- 5. The Office of Gifts and Grants Management and directors of management and operations ensure Volunteers are billed approximately \$128 for unused grant funds or receive approved waivers from the Chief Financial Officer.**
- 6. The director of management and operations and Office of Chief Financial Officer ensure that the Volunteer is reimbursed approximately \$112 for over charged grant funds.**
- 7. The Office of Gifts and Grants Management train the relevant post staff on how to reconcile small grants expenses, explain unusual project closure approval memos/ project expenditure memos, and how to calculate the amounts for bills of collection in local currency without using exchange rates.**
- 8. The agency updates MS 720 to include a headquarters review of final grant closure documentation for VAST, FTF, and GEF projects.**
- 9. The agency updates the small grant handbook and MS 720 with new procedures to include the new Volunteer Reporting and Grants system.**

QUESTIONED COSTS AND FUNDS TO BE PUT TO BETTER USE

During the audit, we identified questioned costs and funds to be put to better use.

Questioned Costs

Recommendation number	Description	Amount
1	Underpaid evacuation allowance	\$2,750
2	Uncollected Volunteer Overpayments Related to evacuation allowance errors	\$9,800
6	Overcharged grant funds	\$112

Funds to be put to better use

Recommendation number	Description	Amount
4	Uncollected Grant Funds	\$2,912
5	Uncollected Grant Funds	\$128

The Inspector General Act of 1978, as amended, defines funds to be put to better use and questioned costs as follows:

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

LIST OF RECOMMENDATIONS

We recommend that:

1. The Office of Chief Financial Officer issue evacuation allowance payments to the underpaid Volunteers, totaling approximately \$2,750.
2. The Office of Chief Financial Officer waive or collect the Volunteer overpayments totaling approximately \$9,800.
3. The Office of Chief Financial Officer develops an automated process to calculate evacuation allowance payments.
4. The Office of Chief Financial Officer and the directors of management and operations determine whether the Volunteers can account for \$2,912 of VAST grant expenses and complete an unusual project expenditure memorandum and unusual project closure approval memo. If the Volunteer is unable to document the grant expenses, issue a bill of collection for \$2,912.
5. The Office of Gifts and Grants Management and directors of management and operations ensure Volunteers are billed approximately \$128 for unused grant funds or receive approved waivers from the Chief Financial Officer.
6. The director of management and operations and Office of Chief Financial Officer ensure that the Volunteer is reimbursed approximately \$112 for over charged grant funds.
7. The Office of Gifts and Grants Management train the relevant post staff on how to reconcile small grants expenses, explain unusual project closure approval memos/ project expenditure memos, and how to calculate the amounts for bills of collection in local currency without using exchange rates.
8. The agency updates MS 720 to include a headquarters review of final grant closure documentation for VAST, FTF, and GEF projects.
9. The agency updates the small grant handbook and MS 720 with new procedures to include the new Volunteer Reporting and Grants system.

APPENDIX A: SCOPE AND METHODOLOGY

SCOPE

The Office of Inspector General (OIG) conducted this audit from August 2022 to December 2022 while working in a telework environment. The scope of our audit included auditing samples of Volunteer payments, grants, collections, USDO deposits, and the associated supporting documentation that the Peace Corps processed between October 1, 2019, through September 30, 2021.

We reviewed the following subject areas: (1) Volunteer Payments; (2) Grants; and (3) USDO deposits. However, we primarily focused our review on transactions that occurred around the global evacuation period and after the post operations were suspended, from March 2020 to September 2021.

We conducted this performance audit in accordance with the Generally Accepted Government Auditing Standards, 2018 revision. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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

METHODOLOGY

Our audit methodology consisted of reviews of Volunteer payments, the Volunteer Reporting and Grants system, Financial Operations Room Headquarters inquiry (FORHQ), and supporting documentation. To obtain background information on the agency's internal control process, we reviewed policies relating to the Peace Corps' financial and administrative operations such as the Peace Corps Manual, Overseas Financial Management Handbook and Cashier User Guide. Further, we conducted interviews with Peace Corps staff domestic and overseas staff. Additionally, we performed the following tasks:

- Assessed the controls in place to detect, prevent, and correct errors.
- Reviewed prior audit reports and investigations that related to Volunteer payments, collections, deposits, and grants.
- Reviewed disbursement reports for payments and collection information
- Reviewed the Ad Hoc USDO deposit Report and compared it against collections and bank statements from USDO accounts.
- Reconciled VRG completion reports, additional Volunteer payments, bills of collections and grant receipts.
- Reviewed waiver approval for Volunteer payments and grants.

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Below is the breakdown of the methodology for each category:

<p>Volunteer Payments:</p> <p><i>Wellness Stipend Payments:</i> 6937 EPCVs received wellness stipends payments, totaling approximately \$10,405,500</p> <p><i>Evacuation Allowance Payments:</i> 6898 EPCVs received evacuation allowance payments, totaling approximately \$25,272,882</p>	<p>Using data from the FY20 ET List and FY20 Invoices, we reviewed if there were accurate \$1,500 payments, identifying potential duplicate payments or payments to ineligible recipients. We reviewed the remaining 15 wellness stipend payments as the sample and found no errors.</p> <p>Using the same data source, we created a projected evacuation allowance for each EPCVs and compared that amount to the payment received. As China was evacuated earlier than other posts, those volunteers were not included in the analysis. Likewise, Response Volunteers were not included in the analysis because there was no method to predict their potential end of service date. We reviewed the 552 Volunteers and Trainees for which the projected and actual payment amounts did not match and the 200 extension Volunteers at these posts, creating a final sample size of 752.</p>
<p>Grants: Total number grants with a remaining balance in March 2020 totaled 440.</p>	<p>We reviewed the VRG grant system for records with a grant balance as of March 2020. In addition, we reconciled the collections from the disbursement report to the grant balance.</p> <p>For 67 variances, we reviewed the completion report and grant receipts. However, we did not review grants that had variances of \$20 or less because CFO approved blanket waivers.</p>
<p>USDO Deposits: There were 9,194 collection transactions for 61 posts totaling approximately \$5,434,222 USDE</p>	<p>We reviewed collections transactions related to value added tax reimbursements; remaining balances from Volunteers' bank accounts; overpaid living allowances; auction sales; collections from return staff health insurance premiums; unused grant funds; host country contributions; and other miscellaneous collections.</p> <p>We identified which months and year contained the most collections that could possibly exceed the authorized cashier limit therefore prompting deposits into the USDO account. Our sample selection consisted of 22 posts for which we analyzed cash counts, Ad Hoc deposit report, and USDO bank statement information.</p>

APPENDIX B: USE OF COMPUTER PROCESSED DATA

The Government Accountability Office’s “Assessing the Reliability of Computer-Processed Data” defines reliability to mean that data applicable for the audit purpose and are sufficiently complete and accurate.

During our audit, we relied on data extracted from the Peace Corps’ financial systems and the Volunteer Reporting and Grants system. We compared disbursement reports and FORHQ reports to supporting documentation. In the methodology section, we outlined the reconciliation process for Volunteer payments, Grants, USDO deposits, and the underlying source documentation. The discrepancies resulted in findings and recommendations.

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

APPENDIX C: LIST OF ACRONYMS

CD	Country Director
DMO	Director of Management and Operations
DPT	Director of Program and Training
OCFO	The Office of Chief Financial Officer
OGAP	The Office of Global Accounts Payable
GGM	Office of Gifts and Grants Management
OGHH	Office of Global Health and HIV
OFMH	Overseas Financial Management Handbook
MS	Manual Section
PCPP	Peace Corps Partnership Program
LGL	Let Girls Learn
USAID	United States Agency for International Development
SPA	Small Assistance Program
PEPFAR	President's Emergency Plan for AIDS Relief
VAST	Volunteer Activities Support and Training
USDO	U.S. Disbursing Officer
VRG	Volunteer Reporting and Grants system
PCGO	Peace Corps Grants Online
FORHQ	Financial Operations Room Headquarters inquiry
USDE	U.S. Dollar Equivalent
OIG	Office of Inspector General
PCV	Peace Corps Volunteers
EPCV	Evacuated Peace Corps Volunteers and Trainees

APPENDIX D: CRITERIA USED TO SUPPORT ISSUES IN THE REPORT

FEDERAL REQUIREMENTS

STANDARDS FOR INTERNAL CONTROL IN THE FEDERAL GOVERNMENT

The Government Accountability Office (GAO)'s *Standards for Internal Control in the Federal Government* (GAO-14-704G)

Principle 10—Design Control Activities

10.01 Management should design control activities to achieve objectives and respond to risk

10.04 Control activities can be either preventive or detective. The main difference between preventive and detective control activities is the timing of a control activity within an entity's operations. A preventive control activity prevents an entity from failing to achieve an objective or address a risk. A detective control activity discovers when an entity is not achieving an objective or addressing a risk before the entity's operation has concluded and corrects the actions so that the entity achieves the objective or addresses the risk.

10.06 Control activities can be implemented in either an automated or a manual manner. Automated control activities are either wholly or partially automated through the entity's information technology. Manual control activities are performed by individuals with minor use of the entity's information technology. Automated control activities tend to be more reliable because they are less susceptible to human error and are typically more efficient. If the entity relies on information technology in its operations, management designs control activities so that the information technology continues to operate properly.

PEACE CORPS REQUIREMENTS

PEACE CORPS MANUAL SECTION (MS)

MS 125 Section 5.3.1 Country Director

- a) Provides leadership to achieve program goals at the Post
- b) Manages the day-to day operations at the Post by developing and implementing overall policy, procedures, goals, and objectives for activities at the Post in accordance with Peace Corps policies and procedures.
- c) Administers internal planning, personnel, financial, budget, and other administrative functions for the Post.
- d) Advises the RD on Post programming, training, resource allocation, safety and security, and medical support for Volunteers and Staff

MS 125 Section 4.5 Office of Global Health and HIV

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The mission of the Office of Global Health and HIV (OGHH) is to provide agency-level policy guidance, overall leadership, and general supervision, direction, and coordination of Peace Corps' domestic and foreign health and HIV/AIDS activities. OGHH is responsible for coordinating the agency's participation in the President's Emergency Plan for AIDS Relief (PEPFAR) or other U.S. Government sponsored health and HIV/AIDS initiatives.

MS 128 Section 4.1 Office of the Chief Financial Officer

The mission of the Office of the Chief Financial Officer (OCFO) is to coordinate Peace Corps' overall resource management and provide the financial planning, oversight, and internal controls necessary to ensure that Peace Corps achieves its domestic and overseas goals while operating in a fiscally sound manner.

MS 128 Section 4.1.5 Global Accounts Payable

The mission of the Global Accounts Payable (OCFO/GAP) sub-office is to provide prompt and accurate payments for all Peace Corps domestic and overseas operations in accordance with federal regulations and Peace Corps policy while providing agency offices the highest level of customer service possible. In addition, OCFO/GAP ensures the financial integrity of Peace Corps operation worldwide by providing sound fiscal oversight for the management of Peace Corps Volunteer and Trainee personnel records, claims and reimbursements, accounts receivable, imprest funds, debt collections and other cash activities.

MS 221 Section 10.1 Policy

The Peace Corps provides an allowance to Volunteers and Trainees who have closed their service due to an evacuation or suspension in order to provide support to them when they return to the U.S. or while going through the re-enrollment process.

MS 221 Section 10.2 Amount

The evacuation allowance paid to the Volunteer or Trainee is calculated by CFO/VPS, based on (i) the Readjustment Allowance rate applicable to such Volunteer or Trainee under MS 223 *Volunteer/Trainee Readjustment Allowance* multiplied by (ii) the lesser of (A) 12 months or (B) the number of months remaining until the individual's scheduled close of service date. Except as provided in 10.3, the evacuation allowance is additional to any other amounts payable to the Volunteer or Trainee.

MS 720 Section 6.3 Peace Corps Posts

b) The Director of Management and Operations (DMO) is responsible for the financial administration of the Peace Corps Small Grants Program funds. The DMO certifies that the Peace Corps Small Grants Program-funded costs are reasonable and in accordance with the goals and objectives of each project and

the project budget. The DMO reviews all Peace Corps Small Grants Program project completion documentation, certifies that all receipts have been received, and ensures that fiscal accounting is accurate and final project balances are duly reconciled.

OVERSEAS FINANCIAL MANAGEMENT HANDBOOK (OFMH)

OFMH 39 Section 39.3.2 Money Matters

Closing Bank Accounts

If there is a time, ask that each Volunteer close his/her account (if they return, they can always re-open them). If there isn't time for the Volunteers to close their accounts, closure will be the responsibility of Post.

Post: If the Volunteer is unable to close their account prior to departure: Contact the banks accounts to determine the requirement for closing accounts...

Obtain the following, from each Volunteer as required by banks:

- Power of Attorney
- Copy of the bankbook or last bank statement
- A signed blank check

With this information, the cashier (or other authorized staff person) could close the account in the Volunteer's absence. Retain the information in the safe.

Collections

Posts should try to resolve all collection and payment issues in country, including living allowance, leave allowance, outstanding travel, language reimbursement, Partnership projects, SPA funds, etc. Generally, collections should be made in local currency.

Identify all amounts owed to the Peace Corps, from over payments or from remaining project funds, e.g., SPA, Partnership, etc. Also identify amounts owed to meet in country debts or obligations, such as anticipated rental charges, utilities, etc.

Bill/Collect the amounts owed directly from the Volunteers or advise the Volunteers in writing that debts will be collected from funds remaining in local bank accounts or deducted from the readjustment allowance.

After evacuation, Post staff should collect funds from the bank accounts or notify VPS of remaining amounts owed, via VESI (Volunteer End of Service Information in OdyWeb).

Note: When a Post is being evacuated, the Regional Director has the discretion to waive collection of up to 15 days of prepaid living allowance.

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Payments

Identify all amounts owed to Volunteers by the Peace Corps.

Make disbursements or request liquidation EFTs to US bank accounts, after ensuring that all country debts have been deducted and/or satisfied.

OTHER GUIDANCE

SMALL GRANTS HANDBOOK

The Peace Corps Small Grants Program is comprised of several funding sources. However, not all of these sources are available at all posts, as some sources are geographically or programmatically limited. The funding sources are described briefly below:

Grant Program Information			
Grant Program	Funding Source	Post Eligibility	Contact for More Information
Small Project Assistance (SPA) Program	United States Agency for International Development (USAID)	Posts for which a USAID mission has contributed funds; posts with no in-country or regional USAID presence are generally ineligible	spareports@peacecorps.gov v SPA IV Agreement SPA V Agreement
Peace Corps Partnership Program (PCPP)	Private sector donations (including “RPCV/Friends of” groups, individuals, and organizations)	All posts, all sectors	pcpp@peacecorps.gov
Let Girls Learn (LGL)	Private sector donations	All posts, grants that increase girls’ access to education and/or seek to empower girls	pcpp@peacecorps.gov
Volunteer Activities Support and Training (VAST)	President’s Emergency Plan for AIDS Relief (PEPFAR)	Any post that receives PEPFAR funds	OGHHsupport@peacecorps.gov

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Feed the Future (FTF)	USAID	Posts participating in the Feed the Future partnership	partnerships@peacecorps.gov
Global Education Framework (GEF)	USAID	Posts participating in the Global Education Framework	partnerships@peacecorps.gov
Other USAID Global Grant Programs	USAID	Participating posts	partnerships@peacecorps.gov

Roles and Responsibilities

I. Peace Corps Headquarters

A. The Office of Gifts and Grants Management

The Office of Gifts and Grants Management (GGM) oversees and manages the solicitation and acceptance of monetary and in-kind gifts and administers the Peace Corps Partnership Program (PCPP), including Let Girls Learn (LGL) grants, and the USAID-funded Small Project Assistance Program (SPA). GGM administers and manages the Peace Corps Small Grants Program in coordination with relevant headquarters offices.

- PCPP/LGL: GGM is responsible for accepting donations and applying them to PCPP and LGL projects, verifying compliance with PCPP requirements, posting projects on the Peace Corps website for fundraising, authorizing post’s obligation of funds for fully funded projects, reviewing grant documentation, interpreting grants requirements as related to the PCPP program, maintaining grant records, and reporting to donors, strategic partners, and Congress. GGM is the only office authorized to solicit funds on behalf of PCV grant projects.
- SPA: GGM is responsible for the management of the SPA agreement with USAID, supporting posts in their annual funding negotiations with USAID, collaborating with Office of the Chief Financial Officer (OCFO) to establish and maintain SPA program administration in the agency’s financial systems, verifying compliance with grants requirements for SPA grants, reviewing grant documentation, interpreting grant requirements as they relate to the SPA program, and maintaining grant records.

In coordination with relevant headquarters offices, GGM establishes standards and policies for the Peace Corps Small Grants Program.

B. The Office of Global Health and HIV

The Office of Global Health and HIV (OGHH) administers the Volunteer Activities Support

and Training (VAST) program funded by PEPFAR. OGHH manages the agency's overall PEPFAR agreement and portfolio, supporting posts in the negotiation of annual PEPFAR/VAST funding, working with OCFO to establish and maintain VAST program administration in the agency's financial systems, verifying compliance with grant requirements for VAST grants, reviewing grant documentation, interpreting grants requirements related to the VAST program, and maintaining grant records.

OGHH may be consulted for technical and programming advice regarding grant-supported health and HIV/AIDS interventions, regardless of funding source.

Post Review of Completion Reports

A. Verifying Budget and Receipts

Before the small grants coordinator closes a grant in PCGO, all purchases must be accounted for and staff must ensure that funds were spent in accordance with the approved budget. Each post may determine the process for this review to take place. However, ultimately, the DMO and financial team is responsible for certifying that PCVs have presented all receipts, entered all expenditures in PCGO and met financial requirements before signing the Completion Signature forms (downloaded from PCGO). Discrepancies must be resolved prior to the close of service date of the PCV. As post staff close PCV grants, they can reference the [Completion Report Review Checklist](#).

Final Grant Closure in PCGO

Once a PCV's grant has been reviewed, funds have been returned (if necessary) and all appropriate documents have been signed and uploaded, the small grants coordinator will change the status of the grant to "Project Closed by Post" in PCGO. For VAST, FTF, and GEF, "Project Closed by Post" is the official final completion status. For PCPP, LGL and SPA, Peace Corps headquarters will then review all documentation, ensure unused funds have been returned (if needed) and appropriate paperwork submitted. Headquarters staff will communicate any needed changes to the small grants coordinator. Timely attention to these emails—by the small grants coordinator and PCV—will ensure a smooth closeout process. Headquarters staff officially close the grant by changing the status to "Project Completed" in PCGO.

SMALL GRANTS GUIDANCE FOR EVACUATED POSTS

In the event that a post is evacuated, the Small Grants Working Group is providing this guidance to ensure that all necessary steps are taken to close out Volunteers' Peace Corps Small Grants Program projects. The steps listed below are intended to help reduce the Volunteer's liability for project funds.

This guidance applies to all Peace Corps Small Grants Program projects. Note that there are different steps that need to be taken depending on whether project funds have been expended.

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See below for explicit guidance.

1. If Any Amount of Project Funds Have Been Expended:

If any amount of project funds have been expended the Volunteer should fill out the completion report in PCGO (<http://pcgo.peacecorps.gov/login.html>), including the final budget and upload all receipts for funds spent to date. The Volunteer should also sign the completion signature page and submit it to post staff by uploading it to PCGO. The Volunteer must complete this as soon as possible.

- a) In case receipts are lost or destroyed, the Volunteer must submit a completed the Unusual Project Expenditure Documentation Memorandum to document how funds were spent. If receipts are not available but the Volunteer has photos showing completed work and/or an expense log, these must be attached to the memorandum and submitted to post staff by uploading it to PCGO. Post staff will then complete the Unusual Project Closure Approval Memorandum and upload it to PCGO.
- b) The Volunteer must return unused funds to the cashier. Post will create a bill of collection and upload it to PCGO to show funds were returned.
- c) If it is not possible to return unused funds before departure, the Volunteer should check with staff about authorizing staff to withdraw (subject to in-country banking rules) unused project funds from the Volunteer's bank account to reconcile the final budget.

The Volunteer should use this checklist to ensure all steps are completed:

- Completion Report Submitted (in PCGO or Offline Template)
- Final Budget Submitted (in PCGO or Offline Template)
- Available Project Receipts Submitted (in PCGO)
- Unusual Project Expenditure Documentation Memorandum Submitted to the DMO and/or Small Grants Coordinator (if needed)
- Grant Funds Returned or Bank Authorization Given to Post Staff (if needed)
- Completion Signature Page Signed and Submitted

2. If No Project Funds Have Been Expended:

If no project funds have been expended the Volunteer should follow the steps outlined below:

- a) The Volunteer must return all project funds to the cashier. Post will create a bill of collection and upload it to PCGO to show funds were returned.
- b) If it is not possible to return unused funds before departure, the Volunteer should check with staff about authorizing staff to withdraw (subject to in-country banking rules) unused project funds from the Volunteer's bank account to reconcile the final budget.

CFO/GAP & VPS Evacuation-Related FAQs

4. How is Evacuation Allowance Calculated?

Calendar Month of Projected COS Date	# of Months Evacuation Allowance	Evacuation Allowance for PCTs and PCVs	Evacuation Allowance for Extension Volunteers and Response Volunteers
March 2020	1	375.00	475.00
April 2020	2	750.00	950.00
May 2020	3	1,125.00	1,425.00
June 2020	4	1,500.00	1,900.00
July 2020	5	1,875.00	2,375.00
August 2020	6	2,250.00	2,850.00
September 2020	7	2,625.00	3,325.00
October 2020	8	3,000.00	3,800.00
November 2020	9	3,375.00	4,275.00
December 2020	10	3,750.00	4,750.00
January 2021	11	4,125.00	5,225.00
February 2021 Or Later	12	4,500.00	5,700.00

5. What is the maximum Evacuation Allowance amount?

For Volunteers who were earning \$375/month, the maximum Evacuation Allowance is \$4,500.

For Volunteers who were earning \$475/month, the maximum Evacuation Allowance is \$5,700.

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APPENDIX E: AGENCY RESPONSE TO THE PRELIMINARY REPORT



MEMORANDUM

To: Joaquin Ferrao, Acting Inspector General

Through: Emily Haimowitz, Chief Compliance Officer EMILY HAIMOWITZ
Digitally signed by EMILY HAIMOWITZ
Date: 2023.03.23 10:04:04
GMT-05'

From: Viqar Ahmad, Chief Financial Officer VIQAR AHMAD
Digitally signed by VIQAR AHMAD
Date: 2023.03.23 17:23:46
GMT-05'
Alysia Peters, Director of the Office of Gifts and Grants Management ALYSIA PETERS
Digitally signed by ALYSIA PETERS
Date: 2023.03.23 10:04:04
GMT-05'
Kechi Achebe, Director of Office of Global Health and HIV KECHINYERE ACHEBE
Digitally signed by KECHINYERE ACHEBE
Date: 2023.03.23 10:04:04
GMT-05'

Date: March 23, 2023

CC: Carol Spahn, Director
Thomas Peng, Deputy Chief Executive Officer
Lauren Stephens, Chief of Staff
Scott Beale, Associate Director of the Office of Global Operations
Joshua Romero, White House Liaison
Colleen Wallace, Acting General Counsel
Judith Leonhardt, AIG/Audits
Katie Downes-Angus, Compliance Accountability Officer
Gregory Yeich, Compliance Officer

Subject: Agency Response to the Preliminary Report on Audit of the Peace Corps' Volunteer Payments and Collections at the End of Service (22-AUD-03)

Thank you for the opportunity to respond to this preliminary report from the Office of Inspector General. Enclosed please find the agency's response to the recommendations made by the Inspector General as outlined in the OIG's Preliminary Report on Audit of the Peace Corps' Volunteer Payments and Collections at the End of Service (22-AUD-03) sent to the agency on February 6, 2023.

Recommendation 1

The Office of Chief Financial Officer issue evacuation allowance payments to the underpaid Volunteers, totaling approximately \$2,750.

Concur

Response: The Office of the Chief Financial Officer (OCFO) made corrective payments to four evacuated returned Peace Corps Volunteers, totaling \$2,750.

Documents Submitted:

- Payment records reflecting payments to four Volunteers totaling \$2,750

Status and Timeline for Completion: March 2023

Recommendation 2

The Office of Chief Financial Officer waive or collect the Volunteer overpayments totaling approximately \$9,800.

Concur

Response: The Office of the Chief Financial Officer will take corrective action for overpayments totaling \$9,800, which included (1) the review, write-off, and close-out of a single debt totaling \$800 and (2) the recordation and pursuit of collection of debts in the amount of \$9,000.

Documents to be Submitted:

- Debt write-off FY23 Q2 memorandum totaling \$800
- Recordation of debts in accounts receivable totaling \$9,000 and evidence of corrective action

Status and Timeline for Completion: July 2023

Recommendation 3

The Office of Chief Financial Officer develops an automated process to calculate evacuation allowance payments.

Do Not Concur

Response: The agency does not believe the automation of calculating evacuation allowance payments is an efficient use of agency resources, nor necessary because of the demonstrated accuracy of the current process. Specifically, the agency cites the following reasons:

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- Despite the unprecedented and time sensitive evacuations which took place, the agency succeeded in making timely and accurate evacuation allowance payments to Volunteers. Based on the OIG's sample, the agency inaccurately calculated only seven out of 752 Volunteer evacuation allowance payments, an error rate of less than one percent.
- Automating Volunteer evacuation allowance payments would require a significant allocation of human and financial resources. With limited resources and the low likelihood for global evacuations in the future, the agency will continue to implement manual control activities.
- As the OIG states in the audit report, it is unlikely that the unprecedented global evacuation that took place in March 2020 will occur again, when global operations were suspended and nearly 7,000 volunteers from more than 60 countries were evacuated.

Recommendation 4

The Office of Chief Financial Officer and the directors of management and operations determine whether the Volunteers can account for \$2,912 of VAST grant expenses and complete an unusual project expenditure memorandum and unusual project closure approval memo. If the Volunteer is unable to document the grant expenses, issue a bill of collection for \$2,912.

Concur

Response: In March 2023, the Office of Global Health and HIV (OGHH), in collaboration with post, identified sufficient documentation, including receipts, to properly closeout the first grant referenced in this finding. For the second grant, OGHH and the Director of Management and Operation at the post will pursue corrective action in accordance with the agency's established procedures.

Documents to be Submitted:

- Documentation showing the closeout of first grant
- Evidence of corrective action taken for unsupported grant expenses associated with second grant

Status and Timeline for Completion: July 2023

Recommendation 5

The Office of Gifts and Grants Management and directors of management and operations ensure Volunteers are billed approximately \$128 for unused grant funds or receive approved waivers from the Chief Financial Officer.

Concur

Response: The Office of Gifts and Grants Management (GGM), the Office of Global Health and HIV (OGHH), and the directors of management and operations at the corresponding posts will pursue corrective action in accordance with the agency's established procedures.

Documents to be Submitted:

- Evidence of corrective action taken for unused grant funds totaling an estimated \$128

Status and Timeline for Completion: July 2023

Recommendation 6

The director of management and operations and Office of Chief Financial Officer ensure that the Volunteer is reimbursed approximately \$112 for over charged grant funds.

Concur

Response: The director of management and operations and Office of the Chief Financial Officer confirmed the over-collection of grant funds in the amount of \$112 and issued a corrective payment to an evacuated Peace Corps Volunteer.

Documents Submitted:

- Payment records reflecting reimbursement to one Volunteer totaling \$112

Status and Timeline for Completion: March 2023

Recommendation 7

The Office of Gifts and Grants Management train the relevant post staff on how to reconcile small grants expenses, explain unusual project closure approval memos/ project expenditure memos, and how to calculate the amounts for bills of collection in local currency without using exchange rates.

Concur

Response: The Office of Gifts and Grants Management (GGM) issued updated training through LearningSpace, which all Small Grant Coordinators have been required to complete by March 31, 2023. The course covers program specific requirements, the application process, financial administration, and policy and procedures for implementing and closing out grants through PCPP, SPA, VAST, and the Global Agreement programs. GGM will revise relevant training material and guidance documents, as needed, to ensure information is included on reconciling small grant expenses, explanation of unusual project closure approval memos/project expenditure memos, and calculating bills of the collection in local currency. The training material and guidance documents will be distributed to relevant post staff via training courses in the agency learning management system, newsletters or email updates, and/or during training workshops.

Documents to be Submitted:

- Training material and guidance, such as training courses, newsletters, email updates, and/or workshop agendas, as needed
- Revised Small Grants Program Handbook

Status and Timeline for Completion: October 2023

Recommendation 8

The agency updates MS 720 to include a headquarters review of final grant closure documentation for VAST, FTF, and GEF projects.

Concur

Response: The Office of Gifts and Grants Management (GGM) has already begun a comprehensive review of the Small Grant Program Handbook and will incorporate any additional information identified in this report. At the next Peace Corps' Senior Policy Committee meeting updates to MS720 will be considered. The updates will reflect the transition from the agency's old grant reporting system (PCGO) to the new Volunteer Reporting and Grants system (VRG).

Documents to be Submitted:

- Revised MS 720 Peace Corps Small Grants Program
- Revised Small Grants Program Handbook

Status and Timeline for Completion: October 2023

Recommendation 9

The agency updates the small grant handbook and MS 720 with new procedures to include the new Volunteer Reporting and Grants system.

Concur

Response: The Office of Gifts and Grants Management (GGM) has already begun a comprehensive review of the Small Grant Program Handbook and will incorporate any additional information identified in this report. At the next Peace Corps' Senior Policy Committee meeting updates to MS720 will be considered. The updates will reflect the transition from the agency's old grant reporting system (PCGO) to the new Volunteer Reporting and Grants system (VRG).

Documents to be Submitted:

- Revised MS 720 Peace Corps Small Grants Program
- Revised Small Grants Program Handbook

Status and Timeline for Completion: October 2023

APPENDIX F: OIG RESPONSE TO AGENCY COMMENTS

Management concurred with eight of the nine recommendations. They did not concur with recommendation number three, that the calculations of the evacuation allowance payments process be automated. The agency stated that automating the process to calculate evacuation allowance payments is not an efficient use of agency resources because it would require significant allocation of human and financial resources. In addition, the agency stated that the error rate for Volunteer evacuation allowance payments was less than one percent based on the seven out of 752 OIG sample.

OIG does not agree with this assertion. There were in total 18 errors as part of our sample, 11 had been identified by the agency, and seven found by OIG. Moreover, in FY 2021, the agency identified 63 evacuation allowance payments as errors in their improper payment assessment stemming from the same global evacuation data set that OIG sampled. As noted, 11 of those already identified payment errors were a part of the sample for this report⁵. As discussed in the report, it is unlikely that evacuation at the scale of March 2020 will reoccur; however, Peace Corps' posts could continue to experience evacuations due to a multitude of political and environmental factors which will necessitate evacuation allowance payments. A streamlined more efficient approach in the calculation of payments would promote the good stewardship of appropriated Federal funds. We are concerned that continued use of the manual process is not sufficient to ensure the accuracy of future Volunteer evacuation allowance payments. Further, in its non-concurrence, the agency stated that automating the process would require a significant allocation of human and financial resources; however, OIG was not provided data to support this justification.

Based on the additional documentation provided by the agency, we will close recommendation numbers: 1 and 6. The other seven recommendations will remain open. In its response, management described actions it is taking or intends to take, to address the issues that prompted six of these 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. 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.

⁵ OIG did not perform a statistical analysis to extrapolate the error rate for the full universe of 6,898 payments.

APPENDIX G: AUDIT COMPLETION AND OIG CONTACT

AUDIT COMPLETION

This audit was conducted under the direction of Assistant Inspector General for Audit Judy Leonhardt by Lead Auditor Renita Davis and Program Analyst Sam Blurton



OIG CONTACT

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

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

Anyone knowing of wasteful practices, abuse, mismanagement, fraud, or unlawful activity involving Peace Corps programs or personnel should call or write the Office of Inspector General.

Reports or complaints can also be made anonymously.

Contact OIG

Reporting Hotline:

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

Email: OIG@peacecorpsoig.gov

Online Reporting Tool: peacecorpsoig.gov/contact/hotline

Mail: Peace Corps Office of Inspector General
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