



PEACE CORPS
Office of
**INSPECTOR
GENERAL**

Management and Performance Challenges

Fiscal Year 2022

In accordance with the Reports Consolidation Act of 2000, the Office of Inspector General (OIG) is submitting what it has determined to be the most significant management and performance challenges facing the Peace Corps.

The Inspector General's (IG) management challenges are observations of the IG based on the work performed by OIG, as well as information uncovered during the performance of our oversight responsibilities.

We are pleased to report that, during this fiscal year, the agency prioritized the importance of compliance, closing out 107 recommendations with a total cost savings of approximately \$5.46 million related to 33 OIG reports. This resulted in the closure of 21 out of 27 OIG reports with open recommendations. Closure of many of these recommendations represent progress in areas reported as management challenges including compliance, internal controls, and Volunteer support programs .

Additionally, in 2020, the Peace Corps identified and prioritized the need to improve diversity and inclusion within the agency to better achieve the mission of promoting understanding of Americans on the part of the peoples served. Due to these commitments and the resources mobilized to achieve this objective, the OIG included Diversity and Inclusion of Staff and Volunteers in the 2020 and 2021 publications of the statement of management challenges. While the OIG has not undertaken reviews of this area, we have previously noted the agency's efforts to prioritize and expand activities in this area. The agency is incorporating ICDEIA (intercultural competence, diversity, equity, inclusion, and accessibility) goals into the Peace Corps strategic plan and building plans for accountability and sustainable program implementation, including establishing a new office to coordinate and support these efforts. Given these developments, we are no longer addressing this topic separately as part of the agency's biggest challenges.

Extraordinary Developments Impacting the Peace Corps

After the unprecedented evacuation of all Peace Corps Volunteers more than two years ago due to the COVID-19 pandemic, overseas operations have resumed, and Volunteers began to return to posts in March 2022. The Agency's re-entry process has been guided by the country Re-entry Guide (CREG). The CREG provides guidance for returning volunteers to service, with an emphasis on mitigating the risks of the COVID-19 pandemic. In FY 2022, OIG completed two re-entry health and safety compliance reviews of posts to ensure CREG requirements and relevant health and safety measures have been met. In FY 2023 the OIG plans to conduct additional re-entry health and safety reviews as well as initiate full country program evaluations and post audits. While the return of Volunteers to service abroad is an important milestone, the Peace Corps Volunteer program will continue to be strongly impacted by global, regional, and country-specific complications stemming from the COVID-19 pandemic, or as the case may be, post pandemic environment.

Significant management challenges facing the Peace Corps:

- **Volunteer Health and Safety**
- **Human Capital Management**
- **Information Technology Security Management**
- **Planning and Implementation**

The aforementioned management challenges illustrate the most significant areas OIG believes need improvement for the Peace Corps to effectively manage its resources and minimize the potential for fraud, waste, and abuse occurring in its operations. Addressing the issues related to these challenge areas will enable the agency to increase operational efficiencies and improve mission effectiveness.

Challenge: Volunteer Health and Safety

Why This Is a Challenge

Volunteer Medical Care

Since Peace Corps' inception in 1961, Volunteer health care has been a top priority for the agency. Given the difference in global health conditions and medical infrastructure among the more than 60 countries where Volunteers serve, effectively addressing this priority is a challenge and requires sustained attention. The Peace Corps Act requires that Volunteers receive health care during their service, which includes "all appropriate examinations, preventive, curative, and restorative health and medical care." The Office of Health Services (OHS) operates a comprehensive, international health system designed to maintain and improve the health of Volunteers. OHS is responsible for providing clinical and preventive health services, clinical supervision and support, technical advice, training and education, and administrative support services to Volunteers through a multidisciplinary staff of trained professionals. More than 60 Peace Corps overseas health units are staffed by two or more Peace Corps Medical Officers (PCMO), who serve as the primary medical clinician for Volunteers. Generally, PCMOs are responsible for assessing, diagnosing, providing clinical care, and documenting Volunteers' physical and mental health conditions.

In a June 2022 review of a medical case review from 2018, OIG found several systemic issues, including that the patient safety event reporting process was not effectively implemented. The finding echoed our 2021 report on the death of a Volunteer in Ghana, which found that the agency's root cause analysis of the incident did not detect critical vulnerabilities and did not comply with industry standards. That finding prompted us to reopen a previously closed recommendation from a 2016 follow-up evaluation of issues identified in a 2010 review

of Volunteer health care in Morocco, relating to the patient safety reporting process.

The 2022 review of a medical case from 2018 also found that the PCMO did not always follow the clinical escalation technical guideline that requires PCMOs to consult with the regional medical officer for any condition likely to require emergency surgery or hospitalization. Our oversight activities have found other problems related to the medical technical guidelines, which are documented in prior reports. Although those recommendations have been closed, to help address some of these recurring issues, OIG launched an evaluation of the medical technical guidelines in May 2022.

During the spring and summer of 2022, OIG conducted post re-entry health and safety reviews of Peace Corps/Zambia and Peace Corps/Colombia. Both reviews found issues related to medical action plans, which is a longstanding matter highlighted in our 2020 review of recurring issues at Peace Corps posts. In August 2021, OIG issued a report on the death of a Volunteer in Ghana, and our review included a finding that Peace Corps/Ghana's medical action plan did not fully comply with agency guidelines.

Volunteer Site Development

In 2021, The Peace Corps began recording Volunteer crime data in a new system. The new system links to the Volunteer Information Database Application (VIDA), which staff use to track and manage Volunteer information. In 2022, OIG learned that the migration of crime data to the new system encountered technical issues that impacted the reliability of historical crime incident location data and the ability of VIDA to flag security incidents by site. The agency has issued and revised guidance repeatedly in response to these issues to support posts. Challenges in managing or using site history data could impact staff's ability to identify

safety risks during site development. OIG is currently gathering additional information to assess the nature and extent of any challenges.

The agency requires that posts maintain site history files; including programming, safety and security information about past and current sites that could affect a future decision to use a site. OIG findings related to site history files have been a recurring issue. During the spring and summer of 2022, OIG conducted re-entry health and safety reviews of Peace Corps/Zambia and Peace Corps/Colombia. At both posts, OIG found instances of non-compliance with the agency's requirements for maintaining site history files. In 2016, OIG issued a management advisory report to highlight systemic deficiencies with site history files that included a recommendation to improve the data management system. The OIG's 2020 review of recurring issues at Peace Corps posts found that between FY 2016 and FY 2019, 12 post evaluations contained findings related to site history files, including missing documentation and missing crime information. In 2021, we conducted a follow-up review of an evaluation of Peace Corps/Moldova and found that crime incidents were not documented in the site history files as required, the same finding we reported in our 2013 country program evaluation of Peace Corps/Moldova.

The agency requires that posts use site selection criteria to ensure Volunteer sites, housing, and work assignments are appropriate. The OIG's 2020 review of recurring issues at Peace Corps posts found that all OIG post evaluation reports issued between FY 2016 to FY 2019 included findings related to site selection criteria. In our follow-up evaluation of Peace Corps/Moldova, we found that staff did not properly document their housing inspections.

OIG is concerned that COVID-19 considerations have increased the difficulty of Volunteer site development. Steps to mitigate the risks of COVID-19 transmission will likely impact decisions regarding appropriate Volunteer housing, communities, and worksites. During FY 2023, OIG plans to conduct post re-entry health and safety reviews that include traveling to posts to assess compliance with Volunteer site and housing requirements.

Volunteer Drug Use

In the past, OIG was concerned that country directors struggled to resolve allegations of drug use through administrative action due to a high burden of proof and a lack of tools necessary to address the allegations in a fair and consistent manner. However, Volunteers have been absent from service abroad for more than two years; and OIG will continue to monitor this issue now that Volunteers are returning to service. Four out of six recommendations issued in a 2018 OIG management advisory report on Volunteer drug use remain open¹.

Progress in Addressing the Challenge

Volunteer Medical Care

The agency developed the Country Re-Entry Guide (CREG) in June 2020, which includes tools and deliverables for returning Volunteers to service and reducing the risk of COVID-19 transmission upon return. See the *Planning and Implementation* challenge for more information on the CREG.

There has been significant progress by the agency in taking action on OIG recommendations impacting Volunteer health care. In September 2021, the agency updated manual section 261 to provide at least two qualified medical officers and appropriate numbers of

¹ Management Advisory Report: Volunteer Drug Use (2018)

support staff, at all posts with an active Volunteer population. Moreover, OIG closed twelve recommendations related to improving Volunteer health care. The closed recommendations included three post-specific recommendations as well as recommendations to improve health unit staffing issues, improve training recordkeeping, and improve mental health care standards. The agency closed the final recommendations from a 2014 evaluation of the effectiveness and implementation of Volunteer sexual assault risk reduction and a 2017 evaluation of the agency's sexual assault risk reduction and response program.

Volunteer Site Development

OIG closed 10 recommendations at three Peace Corps posts related to Volunteer housing and site development, such as improving site selection procedures and oversight. In addition, OIG closed the final recommendation of a 2019 report that addressed the impact of homestay requirements on Volunteer safety. OIG also closed all three of the recommendations made in a 2016 management advisory report that addressed the systems, guidance, and oversight of site history files.

As we noted above, in 2021 the Peace Corps began recording Volunteer crime data in a new system that links to VIDA. Although we have some concerns about the accessibility of historical crime data in VIDA, we are encouraged that crime data reported in the new system should be accessible in VIDA to appropriate staff when reviewing sites for Volunteer placements. During recent remarks to all Country Directors, CEO Spahn emphasized the importance of compliance and quality assurance, specifically calling out the need for post to properly manage and use their site history files. Related with

those remarks, we are also pleased to learn that the agency has begun developing a system to integrate quality assurance functions at posts and HQ to better manage and track key processes and procedures, including site management and site history file documentation. The effort aims to place a quality assurance position at each post and will be implemented by temporary regional quality assurance experts who were recently onboarded, as well as supporting roles in the Office of Global Operations (OGO) and Office of the Chief Compliance Officer (OCCO). As the phases of the project are rolled out, we look forward to seeing benefits in key areas, including site management and site history file documentation.

What Needs to Be Done

Ensuring the health of Volunteers as they return to the field will require extensive coordination between work units at posts and between posts and headquarters. In addition to CREG requirements, the agency is requiring posts to complete a COVID-19 response plan as part of their emergency action plan. Posts should continue to implement these critical components to ensure the health of Volunteers during the pandemic.

Volunteer Medical Care

To improve the Volunteer health care program, the agency should implement the open recommendations from the 2016 Follow-Up Evaluation of Issues Identified in the 2010 Peace Corps/Morocco Assessment of Medical Care. The three remaining recommendations address patient safety event reviews, and our June 2022 review of a medical case from 2018 also included a recommendation in this area to improve the identification and reporting of patient safety events.

The CREG requires each post to conduct a comprehensive review of their medical action plan. Nonetheless, both of the post re-entry health and safety reviews that OIG conducted over the spring and summer found issues related to medical action plans, and the agency should improve its oversight to ensure each post has complete and updated medical action plans.

Volunteer Site Development

Posts must ensure that site selection criteria are clear, that Volunteers' sites, housing, and work assignments meet their criteria, and that appropriate staff inspect and approve housing and properly document the results. The agency should continue to provide training and technical assistance to overseas field staff to ensure their site management activities are supported by complete and accurate site history files. The agency should also provide sufficient oversight to ensure the effective implementation of agency site development and site placement procedures, including interim measures.

To mitigate the risks associated with operating during the COVID-19 pandemic, the agency has established a broad set of considerations for field staff concerning the selection of Volunteer sites. Posts will need to implement a site development process that accounts for these considerations while also avoiding the longstanding issues with site development that OIG has identified during oversight activities.

Key OIG Resources:

[Final Report on the Post Re-Entry Health and Safety Review of Peace Corps/Ecuador \(2022\)](#)

[Management Advisory Report: Peace Corps Medical Case Review \(2022\)](#)

[Follow up Evaluation of Peace Corps/Moldova \(2021\)](#)

[Review of the Facts and Circumstances Surrounding the Death of a Peace Corps/Ghana Volunteer \(2021\)](#)

[Recurring Issues Report: Common Challenges Facing Peace Corps Posts, FYs 2016-2019 \(2020\)](#)

[Management Advisory Report: Peace Corps/Ghana Gas Tank Cooking Safety \(2020\)](#)

[Evaluation of Peace Corps/Eastern Caribbean \(2020\)](#)

[Evaluation of Peace Corps/Tanzania \(2020\)](#)

[Evaluation of Peace Corps/Panama \(2020\)](#)

[Management Advisory Report: Review of the Circumstances Surrounding the Death of a Volunteer in Peace Corps/Comoros \(2019\)](#)

[Evaluation of Peace Corps/Kyrgyz Republic \(2019\)](#)

[Evaluation of Peace Corps/Paraguay \(2019\)](#)

[Evaluation of Peace Corps/Comoros \(2019\)](#)

[Evaluation of Peace Corps/Thailand \(2019\)](#)

[Evaluation of Peace Corps/Mozambique \(2019\)](#)

[Review of New Country Entry Guidance for Conflict-Affected Countries \(2019\)](#)

[Follow-Up Review of Peace Corps/Namibia \(2019\)](#)

[Follow-Up Review of Peace Corps/Nepal \(2019\)](#)

[Evaluation on Homestay Impact \(2019\)](#)

[Evaluation of Peace Corps/Senegal \(2018\)](#)

[Management Advisory Report:
Volunteer Drug Use \(2018\)](#)

[Evaluation of Peace Corps/Albania \(2018\)](#)

[Case Study of Effective Site
Development Practices \(2018\)](#)

[Follow-Up Review of Peace
Corps/Uganda \(2018\)](#)

[Follow-up Review of Peace
Corps/Peru \(2018\)](#)

[Management Advisory Report: Managing the
Suspension of Peace Corps/Kenya \(2018\)](#)

[Evaluation of Peace Corps/
South Africa \(2017\)](#)

[Evaluation of Peace Corps/Costa Rica \(2017\)](#)

[Management Implication Report: Challenges
Associated with Staff Turnover \(2017\)](#)

[Evaluation of Peace Corps/Kosovo \(2017\)](#)

[Management Advisory Report:
Site History Files \(2016\)](#)

[Evaluation of the Peace Corps'
Sexual Assault Risk Reduction and
Response Program \(2016\)](#)

[Follow-Up Evaluation of Issues Identified
in the 2010 Peace Corps/Morocco
Assessment of Medical Care \(2016\)](#)

[Evaluation of Peace Corps/Rwanda \(2016\)](#)

[Evaluation of Peace Corps Sexual
Assault Risk-Reduction and
Response Training \(2013\)](#)

Challenge: Human Capital Management

Why This Is a Challenge

OIG oversight activities have frequently identified concerns with staff hiring and retention and knowledge management, which are pillars of human capital management.

Nearly all Peace Corps U.S. direct-hire (USDH) staff are subject to a 5-year term limit called the “5-year rule” (FYR). Congress enacted the FYR in 1965 to create a constant flow of new employees, including returned Peace Corps Volunteers; avoid the inflexibility associated with the civil service system; and prevent employees from working their entire career at the Peace Corps. However, an OIG evaluation of the FYR in 2012 found that it resulted in high turnover – the rate was quadruple the government-wide average – compromised the agency’s ability to attract and retain qualified personnel for core management functions and contributed to brief staff tenures. These factors impaired the agency’s institutional memory and knowledge management practices.

Hiring and Retaining Qualified Staff

In 2013, OIG reported on these challenges in our audit of Peace Corps overseas staffing. We found that the agency struggled to maintain a robust pool of qualified applicants and ensure positions were filled in a timely manner. It had difficulty managing the hiring and administrative timelines for open positions, maintaining consistency in the interview and hiring process, planning for transfers, and dealing with unexpected vacancies. These challenges were aggravated by the agency’s accelerated rate of overseas staff turnover. Headquarters personnel recruitment is similarly difficult because many of the positions require specialized knowledge and the ability to

perform governmental budgeting, payment, and contracting. In our 2016 audit of Peace Corps’ healthcare benefits administration contract, we identified that inexperienced staff and insufficient planning contributed to instances of the agency’s non-compliance with the Federal Acquisition Regulations and other complex rules associated with soliciting, awarding, and administering contracts or procurements. This is particularly concerning due to the large sums of money processed in contracting and acquisitions. In July 2017, OIG issued “Management Implication Report – Challenges Associated with Staff Turnover” to the acting Director. This report outlined the negative effects of staff turnover on the agency’s ability to maintain high quality Volunteer support and improve core business functions, illustrating that high staff turnover is a persistent challenge for the agency that spans multiple levels and areas of operation. Almost all supervisory/management positions at the Peace Corps, both at headquarters and overseas, are subject to the FYR. Since these positions directly impact the agency’s operations, recruiting and hiring skilled personnel to fill these vacancies is critical.

The OIG’s 2020 review of recurring issues at Peace Corps posts found that, from FY 2016 to FY 2019, staff turnover and staffing gaps impaired emergency medical preparedness, led to ineffective Volunteer technical training, and resulted in heavy staff workloads that in some cases left required tasks incomplete. A 2019 Office of Personnel Management (OPM) assessment of the agency’s organizational design and performance found that the FYR contributed to increased turnover and extended vacancies that resulted in a lack of continuity and curtailed the agency’s productivity. The agency reports that its staff vacancy rate is 15.8 percent as of August 2022 compared to 12.9% in August 2020.

OIG has not reviewed how the FYR may exacerbate staffing challenges in the post COVID staffing environment. However, it is clear that the agency is currently facing staffing challenges. For example, staffing limitation resulted in the delays in the implementation of the agency's strategic plan according to the FY22 Q3 All-Agency Strategic Plan Update (July 26, 2022). Peace Corps' ability to progress on seven of twenty-two performance foals was delayed because of staff limitations in six different areas of operations: Peace Corps Response (PCR), Volunteer Recruitment Services (VRS) Office of Health Services (OHS), Office of Global Operations (OGO), Africa region (AF), and Office of Chief Financial Officer (OCFO).

The agency reported vacancy rates for VRS, OHS, and OGO as 28 percent, 18 percent, and 13 percent respectively. According to strategic plan progress updates from agency leadership, staffing gaps impacted PCR and VRS efforts to expand Peace Corps Response, recruit Volunteers and increase the diversity of the Volunteer corps. The agency required personnel with specific areas of expertise to enable OHS to develop a comprehensive duty of care framework, and to establish post-level processes for communicating results with community-level stakeholders in the Africa region. Insufficient staff capacity delayed the incorporation of risk management and strategic priorities into agency governance processes in the OCFO. OGO noted that delays in onboarding Regional Quality Assurance Experts delayed the development and roll out of the Quality Assurance process and the hiring of Post Quality Assurance Specialists. Significantly, Office of Human Resources (OHR), the office responsible for advertising openings and onboarding staff, contends with a 22 percent vacancy rate.

Knowledge Management

Knowledge management, defined as capturing, distributing, and effectively using knowledge, becomes critical in environments with high turnover.

OIG's 2012 evaluation of the FYR unearthed a trove of internal and external reviews and studies from as early as 1974, that documented the agency's dearth of institutional memory caused by the FYR. A 2019 OPM assessment also identified work process inefficiencies caused by inadequate documentation of past problem-solving and initiatives as well as siloed work practices.

Progress in Addressing the Challenge

Staff training continued to improve in FY22. The agency closed the last four remaining recommendations from the Final Report on the Program Evaluation of the Peace Corps' Training of Overseas Staff (2014). This entailed a comprehensive assessment of the applicability and relevance of federally mandated trainings to overseas staff, and the production of an agency-wide mandatory training catalogue.

Hiring and Retaining Qualified Staff

The 2018 Sam Farr and Nick Castle Peace Corps Reform Act authorized the agency to extend the appointments of positions designated by the Director as "critical management" or "management support" positions that require specialized technical or professional skills, as well as knowledge of agency operations. The authority provides for additional five-year terms beyond the term limits provided in the Peace Corps Act. As of August of 2022, the agency designated 79 positions as exempt from the 5-year rule, including 44 positions exempted since 2019². About Sixty-three percent of exempted positions are now in the Office of Health Services, the Office of Safety and Security, the Office of Victim Advocacy or regional offices where staff are responsible for safety and security of volunteers.

2 The number of exempted positions excludes 34 OIG and 3 Office of Victim Advocacy positions not subject to the five year rule by operation of law (see The Kate Puzey Volunteer Protection Act of 2011)

The Agency also designated nine positions as exempt for core support functions, such as contracting, financial management, information technology management, and human resources management³.

Knowledge Management

The agency implemented the PATH global onboarding program for new hires in FY22. One of the goals of this program is to ensure all the staff regardless of position or location, receive organized, motivational, and impactful onboarding during their first year working for Peace Corps. The agency also provided training for all their supervisors and their delegates to support, tailor and execute the PATH onboarding program.

What Needs to Be Done

Hiring and Retaining Qualified Staff

The agency has not addressed two recommendations (recommendations 2 and 3) from our 2012 evaluation of the FYR, which identified the need for a process to manage turnover and retain qualified personnel. OIG reviewed the current number of exempt positions and found that the nine core support function positions mentioned above represent only 7.8 percent of all exemptions. Exempting additional positions in these critical areas may contribute to increased tenure and lower vacancy rates. Also, two recommendations (recommendations 10 and 11) in our 2013 Audit Report: Peace Corps Overseas Staffing remain open. These recommendations address the need for training for post rating officials on their role in conducting performance reviews and providing adequate feedback, and also improved guidance on senior staff performance appraisals and performance elements.

The agency should improve employee satisfaction to reduce vacancies, as well as attract and retain qualified staff. Results of

the 2021 Federal Employee Viewpoint Survey (FEVS) show that the Peace Corps fell from 6th to 9th place out of 29 small agencies in rank as one of the best places to work. The overall employee engagement and satisfaction score dropped from 85 percent in FY20 to 77 percent in FY21, which remains higher than the government-wide score of 64.5 percent. The survey showed that the largest negative shifts concerned employee satisfaction with recognition for performance. (-9.6% shift for question 12, -10% for question 41, and -11% for question 20).

Knowledge Management

Peace Corps leadership should develop and enact an agency-wide strategy to formalize knowledge management practices related to recording institutional memory, developing standard operating procedures for key processes, and ensuring information accessibility. Also, the agency should consider, where appropriate, implementing the recommendations from the 2019 OPM assessment of the agency's organizational design and performance.

³ Per OHR data, Peace Corps headquarters has 960 total staff.

Key OIG Resources:

[Recurring Issues Report: Common Challenges Facing Peace Corps Posts \(2020\)](#)

[Fiscal Year 2018-2022 Strategic Plan \(2018\)](#)

[Management Implication Report: Challenges Associated with Staff Turnover \(2017\)](#)

[Final Report on the Program Evaluation of the Peace Corps' Training Overseas Staff \(2014\)](#)

[Evaluation of Impacts of the Five-Year Rule on Operations of the Peace Corps \(2012\)](#)

[Final Audit Report: Peace corps Overseas Staffing \(2013\)](#)

Challenge: Information Technology Security Management

Why This Is a Challenge

As the role of technology continues to grow due to hybrid and virtual work environments, the protection of agency data and the security of information systems becomes even more critical. System outages and the loss of data can have catastrophic impacts to the agency, such as impacting Volunteers safety, staff productivity, and the Peace Corps' reputation. Information security is not an IT (information technology) problem or concern, but something that impacts all aspects of the agency's business operations. The Peace Corps has not yet adequately incorporated information security risks as an undercurrent in all its business operations and decisions.

The Peace Corps continues to lack an effective information security program. Foundational IT elements are missing, such as a complete understanding of their IT environment. Specifically, they lack of an up-to-date, accurate, and complete inventory of information systems, including hardware and software assets. Understanding where the agency's system boundaries lie is critical for knowing how to protect the information residing within the Peace Corps network. For example, if the agency does not know what assets they own, they cannot update and maintain these assets to ensure they are protected from critical security vulnerabilities. Providing these updates is a critical element to ensuring that the sensitive data maintained by the Peace Corps—most notably employee personnel records, Volunteer health records, and Volunteer sexual assault incident information—is fully protected.

The agency has repeatedly failed to follow the correct steps to conduct a full and comprehensive system security review on the backbone of its IT infrastructure, the General Support System (GSS). All information systems should undergo an assessment of their information security controls to ensure effectiveness.

This process includes identifying information security risks to the system, designing controls to mitigate these risks, and adequately protect the information within the system. However, for the last 4 years, the agency has taken numerous missteps and circumvented their own policies for ensuring all proper controls of the GSS are adequately developed and implemented.

As the GSS is the backbone of the Peace Corps' IT infrastructure, it provides connectivity, security, storage, and data access for its employees and contractors. Many systems within the Peace Corps infrastructure rely on the GSS for inherited controls. Negligence in the GSS's security posture review can leave other critical systems, including the financial system, vulnerable to known and potentially unknown, common and critical information security risks. This has also resulted in an inefficient use of resources as OCIO (Office of Chief Information Officer) has spent efforts in a reactive manner to address issues as they surface, instead of proactively preventing and addressing the weaknesses.

Another key foundational issue is the absence of a fully-implemented, comprehensive, agency-wide enterprise risk management (ERM) program that is effective at monitoring, identifying, and assessing security weaknesses and resolving related problems at the entity, business process, and information system levels. See the *Planning and Implementation challenge*. While the agency continues to work on their ERM program, it is unclear how cybersecurity risks have been incorporated into both the office level and the enterprise level program. Without a robust risk management process, the Peace Corps is exposed to risk of attacks, environmental disruptions, and business failures.

Progress in Addressing the Challenge

The Federal Information Security Modernization Act of 2014 (FISMA) is designed to ensure agencies develop, document, and implement an agency-wide program to provide comprehensive security for the information and systems that support their operations and assets. As part of OIG's annual review of the agency's compliance with FISMA, a score is assessed to provide a consistent and comparable metric across government agencies. The five-level scale ranges from Level 1, Ad-hoc to Level 5, Optimized. A Level 4, Managed and Measurable, is considered to be an effective level of security. For FY 2022, OMB changed the guidance for inspectors general (IGs) on how Federal agencies should be reviewed. A set of "core IG metrics" were established to identify the most important data points. These 20 metrics were chosen because they would provide sufficient data to determine the effectiveness of an agency's information security program with a high level of confidence.

In FY 2022, the agency maintained their status at Level 2, Defined, as measured against the set of core OIG metrics. Since OIG began reporting IT security as a management challenge in 2009, the agency's cybersecurity posture was at Level 1 Ad-hoc, indicating a reactive program without formalized policies and procedures. Moving to Level 2 indicates policies, procedures, and strategy are formalized and documented.

In FY 2022, the agency made progress in formalizing several core policies and procedures, such as an Information Security Continuous Monitoring and Supply Chain Risk Management strategies. However, OIG was not able to assess the implementation of these policies and procedures to determine their effectiveness or if operations adhere to them.

What Needs to Be Done

For the Peace Corps to advance their program to Level 3, Consistently Implemented, the agency will need to demonstrate that their developed policies, procedures, and strategy have been consistently applied and followed throughout their daily operations. This requires all staff members to adopt and maintain an information security-focused mindset when engaging in their day-to-day activities.

In order to ensure that the agency's information, operations, and assets are protected, it is critical that the Peace Corps achieve full compliance with FISMA and other Federal laws and regulations that apply to managing its IT security infrastructure. OIG's reviews of the Peace Corps' Information Security Program have contained several actionable steps that the agency should take to improve its security program.

OIG continues to encourage the agency to dedicate substantial resources for implementing and maturing their information security program. Specifically, we assert that focusing on the following two recommendations will elevate their information security program:

OIG continues to encourage the agency to dedicate substantial resources for implementing and maturing their information security program. Specifically, we assert that focusing on the following two recommendations will elevate their information security program:

- Establishing a comprehensive Enterprise Risk Management (ERM) program, and;
- Developing a strategy and structure that integrates information security into business operations.

Adopting these actions will foster a sustainable culture that incorporates information security across its business operations. Once this is accomplished, the Peace Corps will be able to better identify its information security and organization-wide risks in order to assess and respond to those risks in a timely manner. This, in turn, will reduce the agency's exposure to targeted attacks and environmental disruptions. This will also ensure that resources are utilized in a proactive manner to prevent and address the weaknesses before they are exploited, leading to an effective information security program.

Key OIG Resources:

[Review of the Peace Corps' Information Security Program \(2022\)](#)

[Summary of Internal Control Issues Over the Peace Corps Financial Reporting \(FY 2021\)](#)

Challenge: Planning and Implementation

Why This Is a Challenge

OIG's 2019 management challenges reported concerns about the agency's struggle to plan for the long-term impacts of risk and resource needs of the organization. Specifically, OIG highlighted areas of concern where the agency did not apply sufficient time and resources to ensure access to quality data for decision making, and establish oversight to comprehensively consider risks to plan and implement new initiatives and programs.

Informed decision making involves consideration of data quality, data accessibility, and consultation with those with applicable knowledge. In 2021, the Peace Corps began recording Volunteer crime data in a new information system, however, historical data was not initially transferred to the new system. The agency subsequently reversed its decision and migrated all the historical data and issued new guidance to support post's site development efforts while crime incident data was being migrated to the new system. When the agency transferred data to the new system it issued revised guidance, and subsequently revised that guidance due to a number of technical issues that impacted the ability of VIDA to flag security incidents by site. OIG is reviewing these actions to determine whether they had an impact on posts' ability to conduct site development. In addition, our management advisory report on Volunteer drug use found that an important obstacle to prioritizing and addressing Volunteer drug use was the agency's inadequate approach to maintaining the information it needs to understand the scope of the problem and ensuring data quality of the information it collected⁴.

Establishing sufficient oversight and coordination should be a key consideration when planning and implementing programs. Our management implication report on Peace Corps/Ukraine's President's Emergency Plan for AIDS Relief (PEPFAR) Food Voucher Program communicated concerns that there was insufficient management awareness and oversight at headquarters for Peace Corps staff implementing PEPFAR-funded activities without Volunteers. Proper oversight helps to identify and address risks and ensure that programmatic activities are consistent with the Peace Corps Act and further the agency's mission and goals. The Financial Statement Audit has identified issues with property management almost every year since 2014, leading to increased financial and operational risk. The FY 22 audit found that the three offices involved in property management (OCIO, OCFO, and Management/Administrative Services) do not effectively coordinate property recording systems or processes, which has led to circumventing internal controls and inaccurate accounting of assets. Our recurring issues report also highlighted how programmatic issues could be addressed by strengthening oversight over internal control systems and assigning responsibility or delegating authority appropriately.

In addition, when investing resources, the agency focuses on functions that directly impact Volunteer support, but management should also consider prioritizing functions that enable the Peace Corps to provide that support. Our audit of the agency's payroll and benefits processes (forthcoming) found that OHR and

4 Management Advisory Report: Volunteer Drug Use (2018)

OCFO did not establish effective oversight procedures to reconcile payroll transactions and remediate deficiencies related to ensuring the accuracy of payroll adjustments. ERM and information technology security are critical programs for efficient business processes, effective programming, and the safeguarding of data. Agency management is responsible for implementing practices that effectively identify, assess, respond to, and report on risks. Our audit payroll and the benefits processes also identified that OHR lacked a risk assessment, including a process to detect erroneous data received from a National Finance Center hosted database. A risk assessment would enable management to establish effective policies, procedures, and monitoring systems that would identify inaccuracies related to employee salary and benefits. Our audit recommended that OCFO establish adequate monitoring structures over USDH payroll transactions to mitigate the effect of these risks. The agency committed to developing an ERM program in 2018 but staffing challenges have impeded progress in this area. Information technology security meanwhile suffers from inadequate action and inconsistent implementation of agency policy. See the *Information Security Management* challenge.

The COVID-19 pandemic continues to pose unique challenges for the Peace Corps that affect every aspect of operation as the agency has begun redeploying Volunteers to posts with varying pandemic responses, supporting infrastructure, and data reliability. As of October 2022, 51 posts have issued invitations for Volunteers to serve, and 41 posts have received Volunteers/Trainees. While the agency continues to advance its goals and respond to evolving contexts, effective implementation and monitoring will be key to success.

Progress in Addressing the Challenge

As stated above, the Peace Corps deployed over 900 Volunteers to 41 posts as of October 2022. The OIG began conducting re-entry health and safety reviews in 2021, which are remote assessments of posts' compliance with criteria established in the CREG. These reviews were designed with a narrow scope to provide timely assessments of some of the most critical factors of re-entry and Volunteer support. By September 2022, our three reviews largely found that the agency is effectively implementing its re-entry plans--including compliance with the internal and external review process and implementation of Volunteer training. Adherence to the detailed criteria of the CREG represents significant coordination between post and HQ staff. Areas that we noted deserved additional attention included ensuring completion of relevant staff training and the management of site history files. Subsequent reviews will include traveling to posts for closer assessment of areas such as site development.

The agency developed and implemented guidance for drafting and submitting decision memoranda to the Director to help ensure timeliness and uniformity in documenting recommendations to and decisions by the Director. To enhance its business support functions, the agency added quality assurance, legal, and risk management responsibilities to the function of the compliance office.

Lastly, the agency advanced efforts to implement an ERM framework including creating and staffing a Chief Risk Officer position, completing all office-level risk registers, and incorporating the Chief Compliance Officer/ERM in the decision memo clearance process. The Chief Compliance Officer's role in this process is to identify whether risk-based discussions are needed and to ensure there are no major compliance issues.

What Needs to Be Done

The Peace Corps must take critical steps to ensure appropriate planning and implementation of their programs and operations. Implementation of agency policies and procedures should be timely, fully integrated with the program or function, include consult with relevant offices and experts, and establish sufficient oversight. The agency should prioritize ensuring access to quality data for decision making.

Additionally, the Peace Corps should continue to prioritize development of an ERM program to comprehensively assess decisions at the agency level and improve the ability to successfully plan and implement new programs while properly considering possible setbacks and how to address them. Specifically, management must develop a comprehensive HR risk assessment to ensure that policies and procedures are effectively designed and implemented to prevent and detect payroll transaction errors and establish waiver policies and payroll reconciliation procedures. The OCFO should be involved in payment reconciliation processes to improve the monitoring system.

The Peace Corps must establish sufficient oversight and coordination structures for core business functions within the agency, especially those requiring resources from multiple offices. Without additional oversight, functioning of property management and payroll reconciliation will continue to increase operational risks. The agency should continue to implement effective monitoring processes to ensure that the CREG supports post operations and Volunteer health and safety as intended. Agile implementation will play a critical role as the pandemic-related contexts continue to develop at posts.

Key OIG Resources:

[Management Advisory Report: Volunteer Drug Use \(2018\)](#)

[Recurring Issues Report: Common Challenges Facing Peace Corps Posts - FYs 2016-2019 \(2020\)](#)

[Management Implication Report: Peace Corps/Ukraine's PEPFAR Food Voucher Program \(2021\)](#)

[Final Report on the Post Re-Entry Health and Safety Review of Peace Corps/Ecuador \(2022\)](#)

[Final Report on the Post Re-Entry Health and Safety Review of Peace Corps/Zambia \(2022\)](#)

[The Peace Corps' Management of Payroll and Benefits for U.S. Direct Hires \(2022\) \(Forthcoming\)](#)

[Final Report on the Post Re-Entry Health and Safety Review of Peace Corps/Colombia \(2022\) \(Forthcoming\)](#)