



Peace Corps Office of Inspector General



Peace Corps office in Dakar, Senegal



Fishing boat, Saint Louis, Senegal



Flag of Senegal

Follow-up Audit Report: Peace Corps/Senegal IG-09-11-FUA

July 2009



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Peace Corps/Senegal
IG-09-11-FUA**

A handwritten signature in blue ink that reads "Gerald P. Montoya". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Gerald P. Montoya
Assistant Inspector General for Audits

July 2009

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INTRODUCTION

The Office of Inspector General conducted an audit of Peace Corps/Senegal October 25 – November 10, 2006 and issued our report in September 2007. Management concurred with 18 of the 21 audit recommendations in the audit report, partially concurred with two recommendations, and did not concur with one recommendation. Based on management’s responses, we closed three recommendations with the report’s issuance. Eighteen audit recommendations were left open pending action to be taken and were subsequently closed by the agency’s chief compliance officer.

As part of our continuing oversight responsibilities, we conducted a follow-up audit April 27 – May 6, 2009 to verify the status of the 21 audit recommendations included in our September 2007 report.

Appendix A provides a description of our follow-up audit objective, scope, and methodology.

The Peace Corps began its program in Senegal in 1963. At the time of our visit, 134 Volunteers were working in seven program areas: sustainable agriculture, urban agriculture, agroforestry, environmental education, ecotourism, preventive health education, and small enterprise development.

The post had, at the time of our visit, 34 staff: four U.S. direct hires (including the area Peace Corps medical officer), four foreign service nationals, and 26 personal services contractors. The administrative officer arrived at the post in March 2009. From September 2008 to March 2009, the post functioned with a temporary duty (TDY) administrative officer.

SUMMARY OF FINDINGS

During our follow-up audit, we verified that appropriate action had been taken on 14 of the 21 audit recommendations. We determined that seven recommendations, numbers 2, 4, 9, 10, 11, 14, and 17, required additional action, and we reopened them. Following our visit, the post provided us with documentation showing that it had subsequently taken the appropriate additional actions on six recommendations, and accordingly, we have closed them. Recommendation number 14 remains open pending the completion of the required action and confirmation from the chief compliance officer.

A summary of the status of the audit recommendations as the result of our follow-up audit is shown in Table 1 below, followed by the results of our verification of each recommendation.

Table 1. Status of Audit Recommendations as the Result of our Follow-up Audit

Audit Area	Number of Recommendations	Number of Recommendations Closed *	Open Recommendation Number
Volunteer Allowances	1	1	
Billings and Collections	1	1	
Imprest Fund Management	5	5	
Host Country In-Kind Contributions	1	1	
Property Management	2	2	
Vehicle Management	2	2	
Contracts	4	3	14
Personnel Management	4	4	
ICASS	1	1	
Total	21	20	1

* Includes six recommendations reopened during the follow-up audit and subsequently closed as the result of additional action taken by the post.

FOLLOW-UP AUDIT RESULTS

Each item below includes the recommendation, management's response, and the results of our verification.

VOLUNTEER ALLOWANCES

1. *That the post ensure that termination notifications are sent within 24 hours. This may be achieved by reassigning this responsibility to the APCD or the administrative officer in conjunction with other Volunteer termination procedures.*

Management's Response: Partially Concur.

Since November 2006, Post has sent in all cables within 24-business hours or prior to a PCV's COS date. Post's Executive Secretary has been responsible for sending cables, monitored by the AO, CD, or Acting CD. Post has clarified with Director of Volunteer and PSC Services, that the Overseas Financial Management Handbook is currently incorrect and that cables should be submitted within 24-business hours. [see Appendix A]. The Country Desk Unit met with the Chief Compliance Officer and Assistant Inspector General for Audits on July 20, 2007 regarding correction of the recommendation in the IG's Preliminary Report to accurately reflect '24 business hours' vs. 24 hours. Please also note that State-Side ETs and Medical Separations cables are sent directly from OSS to VPS. Post cannot send these cables until OSS notification is received, which is often after the PCV's end date. Due to the high volume of travel and workloads of APCDs and AOs, the transference of duties for cable issuance would result in less efficient cable submission. Support staff is available to continue sending and tracking ET cables and has continued this process for almost a year, with monitoring by the AO, CD or Acting CD. Post also currently has a system in place whereby the Executive Secretary, the primary point of contact for cable submission, has a support back-up by the HR Specialist should the Executive Assistant be out of the office.

Completion Date: Completed.

OIG Verification: Recommendation closed.

We examined 20 email notifications to headquarters for Volunteers terminating their service during the period April 1, 2008 – March 31, 2009. We found that all had been sent within 24 hours of the close-of-service or early termination date as required. In one case, the Volunteer terminated service on a Friday, and the email notification was sent the following Monday.

BILLINGS AND COLLECTIONS

2. That the post and the region ensure that all outstanding debts are collected.

Management's Response: Concur.

The two outstanding debts referenced in the IG's Preliminary Report were outside of standard PC/Senegal operations and had occurred before the arrival of the current Administrative Officer. The first debt involved excess weight of Post's former AO's shipment of household effects. This debt and collection responsibility has been transferred to the Department of the Treasury. The second collection also involved excess HHE weight for a PSC that was evacuated from PC/Côte d'Ivoire. The Africa Region will continue following up on this issue. Since November 2006, Post has and will continue to ensure all outstanding debts are collected. Regarding the first referenced bill of collection, PC/Senegal and the Africa Region are no longer directly affiliated with the outstanding bill from the former AO at Post. The Africa Region sought payment via email in July 2006. With no response, the debt was then passed on to the Office of Accounts Receivable & Cash Management (OARCM). In an email dated March 26, 2007, OARCM Claims Officer explains that the debt was referred to the Department of Treasury, after two repeated attempts to collect the debt. She notes, that "Treasury is now solely responsible for the collection of [the former AO's] debt and will send us any payments they collect from him. To date, I have not received any payments." The FMO in Global Accounts Payable forwarded an IG Senior Criminal Investigator this information via email after a request was made for information on this collection [see Appendix C]. No additional information from the Senior Criminal Investigator has been provided for further AF Region or Post action.

The second outstanding debt referenced is a collection from a former PSC Rover AO based out of Abidjan whose shipping weight charges, related to the evacuation of PC/Côte d'Ivoire, were over standard weight requirements. Post has no records on this collection other than a photocopy of a one page bill of collection that was presented to Post's AO by a member of the Audit Team during the audit. According to all staff at Post, this collection was managed directly with the former AO and the Africa Region. There are no records in the standard collections files in PC/Senegal. This issue is under review by the Africa Region and follow up is ongoing with different offices at HQ.

Completion Date: September 30, 2007.

OIG Verification: Recommendation reopened; subsequently closed as the result of additional action taken by the post.

We obtained an email dated September 26, 2008 from the Claims Officer of the Office of Accounts Receivable and Cash Management at the Peace Corps. The email stated that the Acting Chief Financial Officer approved the request to write off the two uncollectible bills. Accordingly, we have closed this recommendation.

3. That the post delegate sub-cashier duties in accordance with Peace Corps policy.

Management's Response: Concur.

PC/Senegal is currently in compliance with delegating sub-cashier duties in accordance with PC policy. The Overseas Acquisition Deskbook, specifically the Personal Service Contract section, provides for PSCs to carry cash or allowances. Post's PST Administrative Assistant serves in this capacity. She sends in the known upcoming expenses for IST and PST for the next following 5 business days. The AO then approves an advance totaling that exact amount. The advance is then used to pay off the vendors for the expenses and is cleared in five business days. PC/Senegal's training site is located three hours from Dakar. Please note that Post has made significant efforts to greatly reduce cash expenditures at the training site, including processing all PCV PST-related travel payments via IFO and the PCVs' bank, Credit Agricole, using Dakar vendors who receive checks for supplies purchased formerly in cash, and converting six vendors to check payment who were previously cash vendors. It is envisioned that Post will continue to minimize the cash expenditures at our training site and have minimal expenses in cash for future ISTs and PSTs. These expenses would include walk-around allowance payments, host family payments, emergencies and small cash vendors only. Post has integrated the Cash Handling text into PSCs contract.

Completion Date: Completed.

OIG Verification: Recommendation closed.

The post does not have sub-cashiers. Accordingly, we have closed this recommendation.

4. That the post implement a separation of duties in the receipt, calculation, deposit, and disbursement of Volunteer allowances.

Management's Response: Partially concur.

Post believes that sufficient separations of duties are currently in place. Post's Administrative Roles are as follows:

- The Cashier handles the Excel spreadsheet preparations for allowances as this is an intense exercise and can often take days to reference different resources including VIDA, ETs, and other factors.
- The Living Allowance spreadsheet is reviewed electronically as well as on paper prior to approval by the Administrative Officer.
- The Financial Assistant then enters the liquidation into ForPost (The Cashier does not handle this responsibility).
- When the check arrives, the Cashier makes a copy of the spreadsheet for the bank outlining the funds that go into each account.

- The Administrative Officer creates and signs an authorization letter and instructions for the bank to take action. Approval is provided after validation against original documents sent to HQ for the allowance payment.
- The check and authorization letter are then deposited by a driver. If there is an issue with the deposit or questions on bank account or other issues, the bank has to come to the Cashier or the Administrative Officer. Additionally, Post is implementing, with Credite Agricole bank, the MOU now required by IFO that no cash or check in the name of a Peace Corps PSC can be issued for PCV accounts. A check must be issued in the name of USDO that is then deposited to Ecobank in Dakar. Please note that Post's closure of bank accounts only occurs in the case of state-side ET or Medical Separation of PCVs with the presentation of a Power of Attorney signed by the PCV. All other accounts are closed prior to PCV departing the country as part of the standard operating procedures of Close of Service.

Completion Date: Completed.

OIG Verification: Recommendation reopened; subsequently closed as the result of additional action taken by the post.

The administrative officer issued a memo to the Peace Corps/Senegal staff dated April 21, 2009 and entitled "Calculation of Volunteer Allowances and Reimbursements." The memo stated: "In efforts to comply with the General Accountability Office standards regarding segregation of duties, the Financial Assistant will be responsible for all calculations related to volunteer allowances and reimbursements. The second financial assistant will verify the calculations, which will then be reviewed by the administrative officer. The cashier will remain responsible for coordinating banking transactions and ensuring proper payments and collections against the payment." The memo also stated that the statements of work of the cashier and the financial assistant would be modified to reflect the change in responsibilities.

We obtained the calculation of Volunteer living allowances for the period June – August 2009, and noted that it had been prepared by the financial assistant rather than the cashier. We also obtained the current statements of work of the cashier and the financial assistant. We noted that it did not have the newly-assigned responsibilities for Volunteer calculations thereon.

Beginning in January 2009, the post has received its Volunteer living allowances by electronic funds transfer (EFT) directly into a pass-through bank account set up for this purpose. Accordingly, the cashier no longer receives checks for deposit in the bank and transfer into the Volunteers' accounts.

Subsequent to our visit, the administrative officer sent us updated statements of work for the cashier, the financial assistant, and the second financial assistant/collections manager reflecting segregation of duties. Accordingly, we have closed this recommendation.

5. *That the post follow Peace Corps policy and not use appropriated funds for counterpart training costs.*

Management's Response: Do Not Concur.

Post does follow PC policy and is already in compliance with use of appropriated funds for counterpart training costs. Since the October 2006 IG Audit, all counterpart costs have been justified with appropriate justifications from memo's dating back to 1999 from Headquarters on appropriate use of funding for host country nationals. All submissions have been approved by IFO. Prior to that time, only non-PST Counterpart costs had additional justifying documentation as AOs had been informed during OST that PST counterpart expenses are 'grandfathered' in and no justification is necessary. Post uses the two memos from 1999 (from Thomas Tighe, Chief of Staff and Ruth Ramsey, Associate General Counsel) as justification along with memos explaining specific factors of the incurred expense and how it meets the criteria to submit relevant vouchers to IFO.

Completion Date: Completed.

OIG Verification: Recommendation closed.

We discussed the attendance by counterparts at training events with the administrative officer and financial assistant. The administrative officer told us that counterparts attended only pre-service training (PST) events held in conjunction with a trainee training event. He further told us that the post adheres to agency guidelines that counterparts attend training only if their attendance is an integral part of the training and enhances the ability of the trainees to perform their work at their future sites. We reviewed documentation for two PST training events, which confirmed the statements of the administrative officer.

6. *That the country director ensure that an unannounced, monthly verification of the imprest fund be conducted. Additional verifications should be conducted annually by a qualified, external U.S. government employee, quarterly by the country director, and in the remaining months it may be delegated to the administrative officer.*

Management's Response: Concur.

Monthly verifications have been completed by the AO since June of 2005 except for one month when the AO was on maternity leave and Post was under TDY coverage. The new CD arrives at Post in September and will be briefed on the importance of this quarterly verification. The Acting CD performed the cash count in June 2007. External counts were performed by a Paris FSC Africa Representative in June of 2006 and March of 2007. Post's Cashier has created a spreadsheet to outline who does the cash counts each month and is also putting a ticker in the Administrative Calendar for the month that CD will be required to do the cash count.

Completion Date: Completed.

OIG Verification: Recommendation closed.

We reviewed the file of imprest fund verifications for fiscal year 2008 and fiscal year 2009 through April 30, 2009. We found that the country director did not perform a verification during the seven month period June 26, 2008 – January 30, 2009.

In addition, we determined that two verifications by the TDY administrative officer on December 15, 2008 and January 6, 2009 were not unannounced and were not appropriate verifications. The two verifications were used in conjunction with the transfer of the imprest fund from the cashier, who was going on vacation, to the financial assistant, the alternate cashier, and back again upon the cashier's return. The cashier signed on the "signature of verifying officer" line on the December 15, 2008 reconciliation. The financial assistant, who in accordance with PCM section 760.7.1 (f), may not perform imprest verifications, signed on the "signature of verifying officer" line on the January 6, 2009 reconciliation. The TDY administrative officer signed next to the cashier's signature on the December 15, 2008 reconciliation, and initialed in the lower right corner on the January 6, 2009 reconciliation.

We were informed that the TDY administrative officer requested that the cashier and the financial assistant first agree on the amount of the fund balance being transferred before the TDY administrative officer became involved. In response to our request for clarification, the TDY administrative officer stated: "From what I remember, the verifications were done, although I can't remember the actual circumstances at this point...."

The country director or acting country director has, since January 30, 2009, performed quarterly imprest fund verifications as required, and the administrative officer has performed proper verifications in the intervening months. Accordingly, we are closing this recommendation.

7. That the post obtain current signature cards for personnel authorized to approve expenditures.

Management's Response: Concur.

Signature cards are currently on file in the cashier's office.

Completion Date: Completed

OIG Verification: Recommendation closed.

We reviewed the signature cards on file in the cashier's office and found them to be current.

HOST COUNTRY IN-KIND CONTRIBUTIONS

8. *That the post document the basis used to estimate all host country contributions. PCM section 722.7.2.1 provides guidance for preparing estimated values.*

Management's Response: Concur.

A memo to the file was created for HCC In-Kind calculations. This memo will be updated annually and/or quarterly when necessary at Ops Plan submission and/or when quarterly HCC reports are submitted to the OCFO.

Completion Date: Completed.

OIG Verification: Recommendation closed.

We discussed the post's valuation process with the financial assistant. Every year, before submission of the operating plan, he prepares an analysis of in-kind host country contributions, including the basis used to estimate their valuations. We obtained and reviewed his memo "Costs Determinations for Host Country In-Kind Contributions" dated August 4, 2008, with copies to the country director and the administrative officer, that enumerated the various in-kind contributions and the valuation basis used.

PROPERTY MANAGEMENT

9. *That the GSO update the post's inventory records after completing a physical inventory of all property.*

Management's Response: Concur.

Post hired a Special Projects Assistant (from December 2006 – May 2007), who worked for three months (March - May 2007) to completely update the inventory system. Post believes the current inventory and systems in place are accurate. Post is requesting additional staffing for the GSO team as part of the 2008 Ops Plan submission, which would greatly help Post to be able to maintain the necessary systems needed to track and maintain Post's almost 3,000-item inventory.

Completion Date: Completed.

OIG Verification: Recommendation reopened; subsequently closed as the result of additional action taken by the post.

The post's last physical inventory was completed September 2008. The property manager told us that the inventory listing was updated for changes on an ongoing basis.

To test the inventory listing, we selected 12 items from the listing for tracing to the actual property in the office and were able to locate all the property items selected.

We selected 10 property items in the office for tracing to the inventory listing. Two items, a computer central processing unit and a router, were not on the inventory listing, but instead were on a separate IT listing. However, other IT items were on the inventory listing.

In order to have a complete record of all inventory in one file, we suggested and the property manager concurred that all IT items be included on the post's inventory listing.

Subsequent to our visit, the administrative officer confirmed to us that the inventory listing now included all IT items. Accordingly, we are closing this recommendation.

10. That the post develop and implement a systematic approach for maintaining an updated inventory record, including a process to record property being moved from one location to another and retaining disposal documents.

Management's Response: Concur.

Post hired a Special Projects Assistant who worked for three months (March - May 2007) to completely update the inventory system. Post adheres to policies outlined in PC MS 511 (Property Management at Overseas Posts) and believes that the current inventory and systems in place are accurate. Post is requesting additional staffing for the GSO team as part of the 2008 Ops Plan submission, which would greatly help Post to be able to maintain the necessary systems needed to track and maintain the inventory of Post's almost 3,000 items.

Completion Date: Completed.

OIG Verification: Recommendation reopened; subsequently closed as the result of additional action taken by the post.

The post developed a procedure for maintaining the inventory records. The procedure, issued April 21, 2009 by the administrative officer, covered acquisitions of property and transfers of property between locations. In conjunction with the policy, the post created a "Non-expendable Property Transaction form" to control acquisitions and transfers.

The post did not obtain custody receipts for Peace Corps property maintained in the residences of the U.S. direct hire staff, as required by PCM section 511.6.2.2. Custody receipts document the staff's possession of agency property and their accountability to maintain and return it. The administrative officer told us that he intended to obtain custody receipts and place them in the administrative files.

Subsequent to our visit, the administrative officer informed us that the post had issued custody receipts for Peace Corps property in the residences of the U.S. direct hire staff and sent us several examples. Accordingly, we have closed this recommendation.

VEHICLE MANAGEMENT

11. That the GSO maintain the vehicle usage log in accordance with Peace Corps policy.

Management's Response: Concur.

Since November of 2006, the GSO began weekly reviews of the vehicle logs rather than monthly reviews. All drivers were given further guidance to avoid confusion between date formats of American and French formats for entering the dates on the vehicle log. In July 2007, the Administrative Officer performed a thorough review of the policy manual with the Motor Pool Coordinator and ensured that all aspects of vehicle logs were clear and implemented at Post. Post's GSO will be retiring in January. Policy manual reviews will be part of the new GSO's training.

Completion Date: Completed.

OIG Verification: Recommendation reopened; subsequently closed as the result of additional action taken by the post.

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

We reviewed the vehicle usage logs maintained by the motor pool coordinator to determine if the required reviews were performed and documented.

We found that, for the most part, vehicle usage logs were initialed and dated signifying review by the general services manager, the billings officer, and the administrative officer. However, we noted logs which were reviewed by either the general services manager or the country director, or were not reviewed at all.

Subsequent to our visit, the administrative officer sent us several vehicle usage logs that showed that they were initialed and dated as reviewed by the responsible persons. He also told us that vehicle usage logs for vehicles in travel status would be reviewed immediately upon their return from trips. Accordingly, we are closing this recommendation.

12. That the GSO maintain the vehicle maintenance records in accordance with Peace Corps policy.

Management's Response: Concur.

Post currently has a Special Projects Assistant who is on contract through December 2007. She will be working on this project during the month of September and October.

Post's GSO will be retiring in January. Policy manual reviews will be part of the new GSO's training.

Completion Date: October 2007.

OIG Verification: Recommendation closed.

We reviewed the vehicle maintenance records kept by the motor pool coordinator. Records were organized by vehicle, including a listing of maintenance by month and receipts for the outside servicing of the vehicles.

CONTRACTS

13. That the post conduct and document a market survey for new leases awarded without competition.

Management's Response: Concur.

All leases in Senegal are validated through a market survey with local real estate agents and the Embassy, who manages over 100 properties in Dakar. Unfortunately, Post has not documented this in the past. Leases entered into since November 2006 have been documented in the file as per the new formats provided by OBO with pictures and history of lease procurement.

Completion Date: Completed.

OIG Verification: Recommendation closed.

We reviewed the supporting documentation maintained by the financial assistant for two leases showing that the post had conducted market surveys for these leases. A memo, entitled "Competition Factors," was prepared by the former administrative officer for each of the leases describing the nature and the results of the surveys.

14. That the post review all PSC files and ensure that the files contain all the necessary information in accordance with Peace Corps policy.

Management's Response: Concur.

Post completed a thorough review of PSC files with the Special Projects Assistant who revised all PSC files in December 2006. All files now contain all necessary information with the exception of missing recruiting information and other such documents that cannot be recreated or traced in the office. Post will add a memo in any PSC file where such recruiting information files are no longer retrievable.

Completion Date: November 2007.

OIG Verification: Recommendation reopened.

We selected five PSC files and reviewed them for completeness. We found that one file was missing a security clearance and two files were missing five-year security updates. We also found that two files were missing intelligence background information certifications and that one certification was signed but not dated. The post, at our request, determined that 12 PSC files were missing five-year security updates.

One of the PSCs missing security updates was the safety and security coordinator. Following our visit, the post requested and received confirmation that the “RSO cleared him for USG employment.”

In addition, of the five files reviewed, only the Peace Corps medical contractor’s file contained a current performance appraisal. Two PSCs had not been evaluated since November 2005 and November 2006, respectively. The administrative officer told us that the post recognized this deficiency and that post management was in the process of preparing performance appraisals for the staff.

We also found deficiencies in the preparation of PSC contracts. While the normal work week for all staff except drivers was 40 hours, all contracts reviewed except one indicated a work week of 48 hours. Also, for one contract, the wrong box, “new contract,” instead of “an option,” was marked.

Further, the option periods in several contracts were incorrect. For one contract, the first option period was identical to the current contract period. For another contract, the PSC’s employment start date was March 30, 2008; however, the first option period in the contract incorrectly showed January 6, 2007 – January 5, 2008.

Finally, two of the five PSC files did not contain signed contractor release forms upon the issuance of new contracts.

This recommendation will remain open pending submission to the chief compliance officer of a correctly prepared PSC contract and confirmation from the administrative officer that all required documents, including security clearance updates and current personnel appraisals, are completed and included in the PSC files.

15. That the approving official approve purchases before they are made with the purchase card.

Management’s Response: Concur.

Request for approval for all intended purchases are sent by email to the CD by the AO. Post is documenting the approval correspondence between the AO and CD, or Acting CD. A new Country Director arrives in Senegal in mid-September. He will be briefed on this importance process. The incoming CD also received initial administrative training during the summer Overseas Staff Training (OST) in early June 2007 including the

following sessions: Administrative & Financial Management, Federal Budget Process, Payables Do's & Don'ts, Post Budget & Financial Ops, etc.

Completion Date: Completed.

OIG Verification: Recommendation closed.

We discussed the post's purchase card procedures with the administrative officer and the financial assistant. The financial assistant has held the purchase card since December 2008, with the administrative officer as the approving official. We selected two recent purchases made with the card and reviewed the process and supporting documentation for completeness. We found that in both cases, the approving official approved the purchases before they were made.

16. That the post obligate funds before approved purchases are made with the purchase card.

Management's Response: Concur.

Post now orders approved purchases after funds have been obligated.

- For internet purchases, the products are put into the on-line vendor's 'shopping cart'.
- This is then printed and used for the best estimate of total costs for the obligation. Taxes and shipping are estimated as they are unattainable until final checkout.
- The Financial Assistant then uses the 'shopping cart' print-out as an obligating document. The Administrative Officer approves the obligation.
- Upon approval of the obligation, the AO requests approval of the purchase card order with the Country Director by email with a copy of the 'shopping cart' form attached and the form is also submitted for approval in hard copy form.
- Once approval is received, the Administrative Officer then re-enters into the vendor's website and retrieves the 'shopping cart' and makes the purchase on the Government Purchase Card.
- When the purchase card is used as method of payment, documentation follows standard procurement guidelines. When products are received, the vendor is provided with purchase card information after the CD has approved the purchase card charge via email or hard copy.

Completion Date: Completed.

OIG Verification: Recommendation closed.

We verified that purchases made with the purchase card were obligated before the purchases were made and that they were first approved by the administrative officer, who is the approving official.

17. That the post develop a written policy for earning, tracking, and using compensatory time.

Management's Response: Concur.

A Post compensatory time policy was drafted by Post's HR Specialist in July 2007 and is currently under review by the AO. The incoming CD will be able to review and approve the policy upon arrival in mid-September 2007.

Completion Date: October 2007.

OIG Verification: Recommendation reopened; subsequently closed as the result of additional action taken by the post.

The post developed a policy for earning, tracking, and using compensatory time. The policy was issued May 20, 2008 by the country director. It provided for a maximum of 40 hours of compensatory time, with the accrued hours to be used during a six month period (a two month period for drivers). According to the timekeeper, the policy was changed in July 2008 so that the maximum accrual was 24 hours. However, a revised policy was not issued to the staff.

Subsequent to our visit, the administrative officer sent us a copy of the post's updated policy for compensatory time, dated May 18, 2009, indicating a maximum accrual of 24 hours, in line with post practice. Accordingly, we have closed this recommendation.

18. That the timekeeper track compensation time.

Management's Response: Concur.

Compensation time is currently tracked on the PC-57s. Post's Special Projects Assistant included this in the Time and Attendance clean-up in January to February 2007.

Completion Date: Completed

OIG Verification: Recommendation closed.

We found that the timekeeper was tracking compensatory time on the official time and attendance records (maintained on form PC-57).

19. That the timekeeper and supervisors use form PC-57 to track all leave earned and taken, i.e., compensation time, vacation time, and sick leave.

Management's Response: Concur.

Post's Special Projects Assistant spent two months (January to February 2007) cleaning-up and aligning PC-57s and timesheets going back several years. All PSCs and USDHs

agreed to findings and signed PC-57s for 2006 and mid-year PC-57's for 2007 have all been reviewed and signed, at the end of June 2007. . Post's timekeeper will continue tracking leave.

Completion Date: Completed.

OIG Verification: Recommendation closed.

We found that the timekeeper was tracking leave earned and taken on the official time and attendance records.

20. That supervisors perform the semiannual time and attendance audits as required by PCM section 742.

Management's Response: Concur:

Post hired a Special Projects Assistant who spent two months (January and February 2007) cleaning-up and aligning PC-57s and timesheets going back several years. All PSCs and USDHs reviewed and agreed to findings and signed PC-57s for 2006. Mid-year PC-57's for 2007 were also reviewed and signed by all USDHs and PSCs and their supervisors at the end of June. . Per PC guidelines, supervisors will perform the next T & A Audit at the end of the fiscal year.

Completion Date: Completed.

OIG Verification: Recommendation closed.

We reviewed a sample of official time and attendance records and noted that both the staff member and the supervisor signed the records on a semiannual and calendar year basis.

INTERNATIONAL COOPERATIVE ADMINISTRATIVE SUPPORT SERVICES (ICASS)

21. That the post obtain waivers for all non-standard services received in accordance with Peace Corps policy.

Management's Response: Concur.

Post has waivers on file for non-standard services received on a regular basis. Please note that Post explained during the Audit that, at times, the Embassy can process something for Post without Post's knowledge (i.e. procurement for medical services) as they do for other agencies. Once this is done, it is very difficult to back out that charge as the vendor is paid months prior. Post only becomes aware of the charge at the ICASS invoice review. The ICASS Coordinator at HQ indicated that waivers are not necessary if the charge is a one-off expense and will not be used in the future. Post has reviewed this with the Embassy but, on occasion, some services slip through into ICASS as this is a 15+ Agency Post.

Completion Date: Completed.

OIG Verification: Recommendation closed.

We discussed with the administrative officer the current ICASS services received by the post. The post has used vouchering services and cashiering services, for which it received waivers. The document approving the waivers, dated November 3, 2006 and issued by the ICASS working group representative at Peace Corps headquarters, states: “These waivers will continue to be effective FY2007 and thereafter until the U.S. Embassy agrees that Peace Corps may withdraw from these services.”

OTHER MATTERS

During the course of our follow-up audit, several other matters came to our attention. These are presented below.

1. The cashier did not personally set the combination to the safe.

PCM section 760.5.2 states: “The cashier must personally set the combination to the safe.”

We found, by inquiry of the cashier, that while the imprest fund safe’s combination was changed in a timely manner, the regional security officer (RSO) rather than the cashier changed it. The cashier told us that he had not been trained to change the combination. Subsequent to our visit, the administrative officer sent us confirmation that the cashier had been trained by the RSO on how to change the imprest fund safe’s combination.

2. The post performed most imprest fund verifications around the end of each month.

OFMH section 13.24.1 requires that imprest fund verifications be “performed at different times each month.”

We noted that most verifications took place at or near the end of the month rather than at different times during each month. Subsequent to our visit, the administrative officer sent us two imprest fund verifications showing that they were performed at different times of the month.

3. The post did not execute a memorandum of agreement with the bank handling Volunteer allowances.

PCM section 221.6.1 requires that the post execute a memorandum of agreement (MOA) with the bank handling Volunteer allowances, in the form specified in Attachment D to the policy. The policy further states: “Approval by the Director of GAP [Global Accounts Payable] is required if the Country Director is unable to obtain bank approval of the substance of all the clauses in the Memorandum of Agreement.”

The administrative officer told us that the bank was unwilling to sign a MOA using the agency's form and instead provided the post with its own form. He said that he was in the process of reviewing the bank's wording for compatibility with the agency's requirements and that he would contact the Director of Global Accounts Payable if an acceptable MOA was unable to be executed.

Subsequent to our visit, the administrative officer forwarded to us a MOA waiver issued by the Director, Office of Global Accounts Payable. The waiver stated that it was issued "given that the bank has not responded to post's request but with the understanding that the bank has provided effective accounting for funds."

4. Staff members did not always liquidate interim advances within three working days.

OFMH section 13.18.2 states: "The interim advance must be...liquidated (accounted for) within three (3) working days."

We noted, by review of prior cash reconciliation statements, that advances were not always settled within three working days. Subsequent to our visit, the administrative officer sent us several cash reconciliation statements showing that advances were being settled in a timely manner.

5. The billings officer maintained and relied upon a manual billings log.

Overseas Financial Management Handbook (OFMH) section 7.2.1, number 4, states: "Review the BOC Log (from ForPost) and the Billing Files. (The ForPost Outstanding Collections report is an additional tool that may also be used.)"

The billings officer maintained a manual bills of collection (BOC) log and did not review the ForPost BOC log when identifying and following-up collections. The administrative officer told us that he monitored the status of billings using the ForPost outstanding collections report.

Subsequent to our visit, the administrative officer confirmed to us that the billings officer was now using the ForPost BOC log and that the administrative officer was reviewing the log on a monthly basis. He also sent us the ForPost BOC log for May and June through June 15, 2009.

6. The post had not determined if a minimum amount for personal phone charges to be billed should be set.

OFMH section 7.1.1 states: "agency policy authorizes CDs to establish written, post-specific policy, applicable to all staff (including FP, FSN, and PSCs) which sets a

threshold for billing based on a consideration of the costs incurred in the billing and collection process – i.e., is it cost effective to bill for an amount of less than ‘x.’”

The post billed staff for personal phone calls regardless of the cost of the call. We noted billings under the U.S. dollar equivalent of \$1.

Subsequent to our visit, the administrative officer submitted to us a “Telephone Usage Policy” dated June 2, 2009. It stated: “...it is not economical nor in the best interest of the government [to] process bills of collection with regards to personal calls for small amounts” and set a minimum monthly billing threshold of 4,000 CFAs (about \$8).

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective in a follow-up audit is to verify the status of our previous audit recommendations. Our conclusions are based on information from three sources: (1) document and data analysis, (2) interviews, and (3) direct observation. Our audit follow-up was conducted in accordance with the governmental auditing standards prescribed by the Comptroller General of the United States. Our scope was limited to verification of the status of previous audit recommendations in the “Final Report on the Audit of Peace Corps/Senegal” (Report No. IG-07-18-A) issued in September 2007. At the end of our follow-up audit, we briefed the acting country director and administrative officer. At headquarters, we conducted a general briefing for regional staff.

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

AUDIT COMPLETION AND OIG CONTACT

AUDIT COMPLETION

Senior auditor Steven Kaffen performed the follow-up audit.

OIG CONTACT

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

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