



U.S. ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF INSPECTOR GENERAL

Catalyst for Improving the Environment

Evaluation Report

EPA's Revised Hiring Process Needs Additional Improvements

Report No. 10-P-0177

August 9, 2010

Report Contributors:

Eric Lewis
Larry Dare
Dwayne Crawford
Chris Baughman
Ben Beeson
Allison Dutton
Christine El-Zoghbi
Tim Roach

Abbreviations

EPA	U.S. Environmental Protection Agency
HRACTS	Human Resources Activity and Communication Tracking System
HRMD	Human Resources Management Division
OARM	Office of Administration and Resources Management
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
RTP	Research Triangle Park
SOP	Standard Operating Procedure



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We reviewed the U.S. Environmental Protection Agency's (EPA's) appointment process managed by its Office of Administration and Resources Management (OARM) to determine how the new process for filling vacancies can be more efficient and effective.

Background

OARM revised EPA hiring procedures in June 2008 when it consolidated the processing of personnel actions from 15 locations across the country to 3 OARM service centers. These procedures must comply with pertinent requirements, including those imposed by the Office of Personnel Management (OPM).

For further information, contact our Office of Congressional, Public Affairs and Management at (202) 566-2391.

To view the full report, click on the following link:
www.epa.gov/oig/reports/2010/20100809-10-P-0177.pdf

EPA's Revised Hiring Process Needs Additional Improvements

What We Found

EPA had not implemented critical technology upgrades or obtained other resources necessary for the service center concept to succeed. EPA produced three reports, including its 2007 Business Case, which identified key factors for a successful transition to the service center concept. However, EPA management implemented the transition without obtaining some of these key capabilities, including electronic infrastructure. Proceeding without ensuring that key requirements were satisfied is a significant weakness in management control. As a result, the new process to fill vacant positions falls significantly short of OPM timeliness goals and does not consistently provide program managers with the best candidates.

Service centers did not consistently provide program managers with the best candidates, and data quality and recruitment action processes need improvement. We also noted a lack of management attention to policies and inconsistencies in service center operations. As a result, the appointment process is not providing program offices with the right people, in the right place, at the right time, thus impacting EPA's ability to effectively perform its mission.

What We Recommend

We recommend that EPA officials determine the scope of services to be obtained from a line-of-business provider, select the provider, and develop and implement a plan to migrate to the provider. In addition, we recommend that the appropriate EPA official help program offices standardize position descriptions and review EZ-Hire questions; increase subject matter expert involvement in evaluating applications; improve the reorganization policy and procedures; obtain feedback on inquiries about personnel actions being processed; and address various staffing, policy, and procedural issues.

In response to Agency comments on the draft report, we changed the action official for five recommendations and slightly modified the wording for two. Agency officials agreed with most of our recommendations but disagreed with recommendation 2-3 and part of recommendation 3-4; these recommendations are undecided pending the Agency's 90-day response.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

THE INSPECTOR GENERAL

August 9, 2010

MEMORANDUM

SUBJECT: EPA's Revised Hiring Process Needs Additional Improvements
Report No. 10-P-0177

FROM: Arthur A. Elkins, Jr. 
Inspector General

TO: Craig Hooks
Assistant Administrator for Administration and Resources Management

Barbara Bennett
Chief Financial Officer

Malcolm D. Jackson
Assistant Administrator for Environmental Information
and Chief Information Officer

This is a report on the subject evaluation conducted by the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA). This report contains findings that describe the problems the OIG has identified and corrective actions the OIG recommends. This report represents the opinion of the OIG and does not necessarily represent the final EPA position. Final determinations on matters in this report will be made by EPA managers in accordance with established audit resolution procedures.

The estimated cost of this report – calculated by multiplying the project's staff days by the applicable daily full cost billing rates in effect at the time plus travel costs – is \$805,400.

Action Required

In accordance with EPA Manual 2750, you are required to provide a written response to this report within 90 calendar days. Your response will be posted on the OIG's public Website, along with our comments on your response. Your response should be provided in an Adobe PDF file that complies with the accessibility requirements of section 508 of the Rehabilitation Act of 1973, as amended. If your response contains data that you do not want to be released to the public, you

should identify the data for redaction. You should include a corrective actions plan for your actions, including milestone dates. We have no objections to the further release of this report to the public. This report will be available at <http://www.epa.gov/oig>.

If you or your staff have any questions regarding this report, please contact Wade Najjum, Assistant Inspector General for Program Evaluation, at 202-566-0832 or najjum.wade@epa.gov; or Eric Lewis, Director, Special Reviews, Office of Program Evaluation, at 202-566-2664 or lewis.eric@epa.gov.

Table of Contents

Chapters

1	Introduction	1
	Purpose	1
	Background	1
	Noteworthy Achievements.....	4
	Scope and Methodology.....	4
2	Service Center Needs Identified But Not Implemented Before Transition	6
	EPA Identified Key Factors for Successful Transition	6
	Technology Investment Was Not Successful	6
	Service Centers Cannot Assess Performance Regarding Customer Service Standards.....	8
	Staffing Plan Was Not Adjusted	9
	Conclusion	9
	Recommendations	10
	Agency Comments and OIG Evaluation	10
3	Service Centers Not Meeting Expectations	12
	Service Centers Are Not Meeting Timeliness Goals	12
	Service Centers Have Not Consistently Provided Qualified Candidates.....	16
	Data Quality and Recruitment Action Processing Issues Noted.....	17
	Conclusion	19
	Recommendations	19
	Agency Comments and OIG Evaluation	20
	Status of Recommendations and Potential Monetary Benefits	22

Appendices

A	Agency Response to Draft Report	24
B	Distribution	31

Chapter 1

Introduction

Purpose

The U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) reviewed EPA's recently revised appointment process managed by its Office of Administration and Resources Management (OARM). Our objective was to determine how the new process for filling vacancies can be more efficient and effective.

Background

EPA's goal is to have people with the right skills, in the right place, at the right time to protect human health and the environment. Under authority provided by the Office of Personnel Management (OPM), EPA is responsible for managing its personnel services, which includes appointing staff to vacant positions. In April 2008, to improve the human resources function, EPA consolidated the services previously spread across 15 locations nationwide into 3 service centers. Each center is a Human Resources Management Division (HRMD) within OARM. The service centers are located in:

- Research Triangle Park (RTP), North Carolina
- Cincinnati, Ohio
- Las Vegas, Nevada

The first of EPA's 23 major organizations to be serviced by one of the service centers transferred in June 2008. As of December 2009, all major organizations had transitioned to the service centers. Political and Senior Executive Service appointments are still processed by EPA's Executive Resources Division in the OARM Office of Human Resources.

Agencies Must Have Internal Controls

Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Internal Control*, states that internal control is an integral component of an organization's management, providing reasonable assurance that the following objectives are being achieved: effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. Management is responsible for developing and maintaining internal control activities that comply with the following standards: control environment, risk assessment, control activities, information and communications, and monitoring. The risk assessment standard states that management should identify internal and external risks that may prevent the organization from meeting its objectives.

EPA Policy and Guidance Address Reorganizations

EPA Order 1110.8A5, *EPA Reorganization Policy*, requires OARM to provide centralized oversight of the reorganization process. Specific guidance is in the July 2003 *Final Reorganization Toolkit*. The toolkit includes guidance on issues ranging from how to plan a reorganization to evaluating the reorganization's effectiveness. Neither the policy nor the toolkit addresses information system changes or a risk assessment as part of the process.

Filling Vacancies Requires Collaboration

Filling a vacant position is a three-phase collaborative process. The primary participants include the program office¹ with the vacant position, the service center responsible for processing the action (the HRMD), and the applicants. Other key participants include OARM's Personnel Security Branch and those who provide new employee orientation.

The three phases of the hiring process are summarized below. The process starts when the program office officially makes a request to fill a vacancy and approves the form requesting a personnel action. It ends on the date the employee begins work. According to OPM's September 2008 end-to-end initiative, the goal for completing this process is 80 calendar days, or 58 work days.

Initial Phase: This period is from when the program office decides to fill the vacancy to the close of the vacancy announcement. The OPM goal for this phase is 20 calendar days.

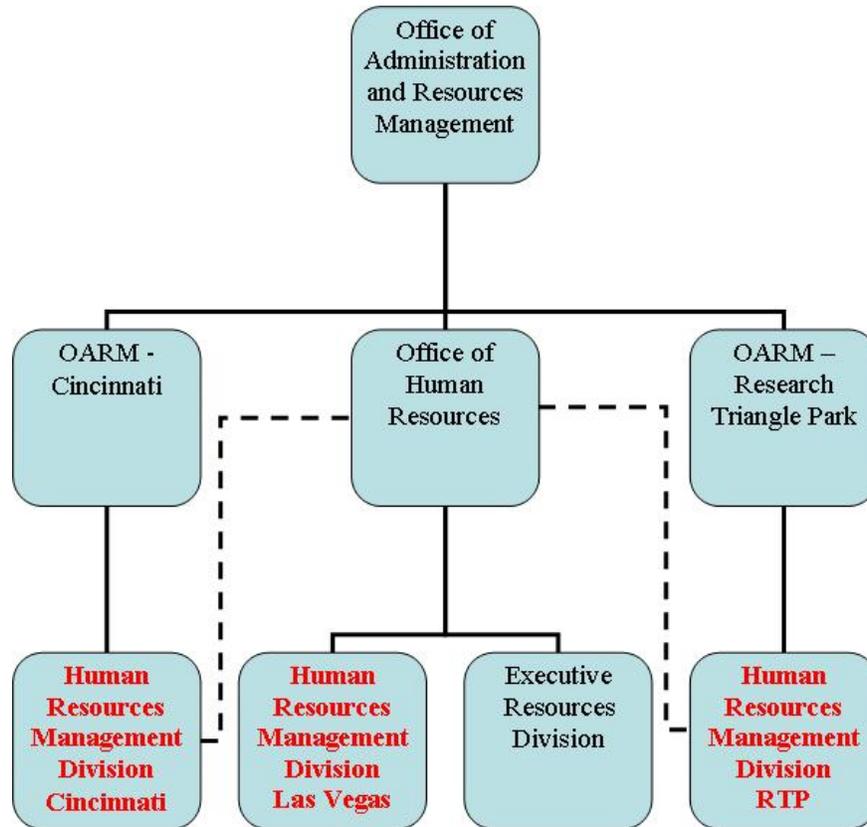
Middle Phase: This period is from when the vacancy announcement closes to when the initial job offer is made. The OPM goal for completing this phase was 45 work days, but under the end-to-end initiative, it is 25 work days, or 34 calendar days.

Final Phase: This period is from when the initial job offer is made (and accepted) to the candidate entering on duty at EPA. The OPM goal for this phase is 26 calendar days.

As shown in Figure 1-1, the HRMD directors each report to a different office director, all of whom report to the OARM Assistant Administrator. The director of the OARM Office of Human Resources is the national program manager for human resources but does not directly supervise the HRMDs in Cincinnati and RTP.

¹ In this report, the term "program office" represents the organizations within EPA (program offices, regional offices, and the Office of Inspector General).

Figure 1-1: Reporting Chain for HRMDs



Source: OIG analysis.

As of December 2009, the three service centers were almost fully staffed. RTP had 2 vacancies (51 of 53), Las Vegas had 1 vacancy (22 of 23), and Cincinnati had 2 vacancies (31 of 33).

OARM requires each service center to use the same standard operating procedures (SOPs). The first nine procedures were approved on June 30, 2008, and covered classifying positions and filling vacant positions using delegated examining or merit promotion announcements.

The service centers use the Human Resources Activity and Communication Tracking System (HRACTS) to monitor the status of personnel actions. Directors also use the system to manage workload. The system was originally used only by the RTP HRMD to track the middle phase of the process; OARM has adapted it to provide information about all three phases.

In July 2008, EPA established customer service standards for processing personnel actions. The standards, which are discussed in Chapter 2, included qualitative and quantitative (e.g., timeliness) standards and related goals for Fiscal Years 2009, 2010, and 2011.

OPM Wants Agencies to Use Certified Providers; EPA Is Uncertain What Services It Will Obtain

OPM, at the direction of OMB, is managing a government-wide effort to improve service and reduce costs for information technology systems and supporting processes associated with human resources. Under this human resources line-of-business, OPM certified selected Federal Government entities and private-sector companies to provide services to federal agencies. In July 2009, EPA completed a study of providers to update a previous June 2007 analysis of government providers and to also evaluate private-sector companies. When additional analysis is completed in July 2010, EPA will decide what services it will obtain from which line-of-business provider. EPA is uncertain when it will move to a line-of-business provider; the move may not occur for 2 years.

Noteworthy Achievements

Positive Impacts Resulting from EPA's Transition to the Service Centers.

OARM managers stated that before transitioning to the service centers, each of the 15 human resources offices could establish their own SOPs, resulting in little or no consistency in how work was accomplished. The three service centers have implemented 16 SOPs ranging from recruitment procedures to reassignments and leave-without-pay procedures, and more are being drafted. We believe that SOPs promote better performance.

Human Resources Activity and Communication Tracking System. Although there are issues regarding the accuracy and completeness of data in HRACTS, OARM stated that it is the first EPA-wide system to track how long it takes to fill vacancies. OARM stated that previously, much of the information regarding recruitment timeliness was anecdotal. We believe an accurate tracking system will help provide reliable status information for process managers and customers.

Scope and Methodology

We conducted our audit work from August 2008 to May 2010. We conducted our work in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives. We assessed internal controls over the new hiring process used by the service centers. We did not review EPA's previous practices.

We interviewed EPA employees involved in the new process, including staff in selected program offices, the three service centers, and OARM, including the

Personnel Security Branch. We also interviewed the employees who were recently appointed to the positions in our sample.

Our sample included initial actions that used the new procedures. The actions originated in the 10 EPA program offices that transitioned to a service center during 2008. We further limited our review to those appointment actions identified in HRACTS that used either delegated examining announcements (to recruit applicants who do not have federal status) or merit promotion announcements (to recruit applicants who have current or prior competitive federal status or special appointment eligibility). Our sampled actions were received at one of the three service centers between August 17 (or when the program office transitioned to the service center if it was later) and December 31, 2008. Further, the service center must have made the initial job offer before January 16, 2009. In addition to talking to those involved in processing the actions, we reviewed the related case files kept by the service center and compared the steps performed to the applicable SOPs. The universe and sampled actions are summarized by service center in Table 1-1.

Table 1-1: Recruitment Actions Started and Sampled, by Service Center

Service Center	Started	Sampled
Las Vegas	104	13
RTP	133	9
Cincinnati	38	6
Total	275	28

Source: Information on actions started came from HRACTS as of January 15, 2009. We adjusted the sample size to 28 due to inaccurate HRACTS information, discussed later in this report.

Although our review did not directly address EPA’s actions regarding the human resources line-of-business, we do address the impact of not obtaining necessary information system upgrades on the appointment process. In addition, another recent OIG report also addressed information systems related to human resources: *EPA’s Human Resources Management System Did Not Deliver Anticipated Efficiencies to the Shared Service Centers*, Report No. 09-P-0206, issued August 11, 2009.

Chapter 2

Service Center Needs Identified But Not Implemented Before Transition

EPA has not implemented critical technology upgrades or obtained other resources necessary for the service center concept to succeed. EPA produced three reports that identified key capabilities for a successful transition to the service center concept. However, EPA management implemented the reorganization without obtaining some of these key capabilities, including electronic infrastructure. Proceeding without ensuring that key requirements were satisfied is a significant management control weakness. As a result, the new process to fill vacant positions (i.e., the appointment process), which included EPA's reorganizing to just three service centers, falls significantly short of OPM timeliness goals and does not consistently provide program managers with the best candidates. These effects are discussed in Chapter 3.

EPA Identified Key Factors for Successful Transition

EPA identified critical technology upgrades and resources for the service centers in three documents. Both the June 2007 document, *Human Resources Line of Business Shared Service Center Analysis*, and the 2008 reorganization plan contained important information pertinent to transitioning to service centers. However, the May 2007 report, *Business Case Study: Shared Service Centers for Human Resources*, identified "factors that are critical to the success of any consolidation." It recommended two or three service centers, with each center providing identical transactional services to designated EPA offices. Among other factors necessary to improve the appointment process, the 2007 Business Case identified:

- Investing in information technology infrastructure,
- Developing and meeting customer service standards, and
- Developing a realistic staffing plan.

Technology Investment Was Not Successful

EPA did not implement necessary information technology improvements before transitioning to the service centers and using the new processes. EPA's toolkit does not require obtaining necessary information systems and performing a risk assessment before implementing reorganizations. According to the 2007 Business Case, to realize the efficiencies underpinning the service centers' success, EPA would need to significantly upgrade its information technology infrastructure and human resource information systems. Necessary improvements included (1) an

automated Standard Form-52 feature, referred to as “workflow” in PeoplePlus, which is EPA’s integrated human resources, benefits, payroll, and time and labor system; (2) a system to track staffing actions; and (3) a system to develop and catalog position descriptions.

- **Electronic Workflow:** The PeoplePlus workflow function was supposed to provide a paperless system with electronic signatures to process the Standard Form-52, which is the “Request for Personnel Action” used to initiate a recruitment action. It would eliminate some of the current manual, paper-intensive steps. Workflow was tested for some personnel actions, such as giving awards to employees, but failed. Consequently, OARM stopped efforts to implement the workflow function. OARM officials recently said they now intend to obtain the workflow functionality from a line-of-business provider.
- **Tracking System:** Service centers use an electronic system, HRACTS, to track the status of recruitment actions. However, as discussed in more detail in Chapter 3, some HRACTS data are inaccurate or incomplete. HRACTS has no controls to ensure data quality. Also, HRACTS is not available to all program office staff; some program offices can use the system to view the status of recruitment actions on a pilot basis.
- **Electronic Position Description Library:** EPA managers must prepare position descriptions that accurately reflect the major duties and responsibilities assigned to their employees. Currently, the position descriptions are paper based and kept in binders by program office. According to the service center directors, OARM hired summer students to convert paper position descriptions to an editable, electronic format to be stored in an EPA position description library that program offices can use when filling vacancies. The service centers selected position descriptions that met certain quality criteria to be converted to this electronic format. However, this effort does not satisfy the 2007 Business Case because the library does not also develop position descriptions.

OARM abandoned some unsuccessful efforts and did not completely implement other necessary improvements. In a June 30, 2009, memorandum to EPA’s top managers, the then-Acting OARM Assistant Administrator acknowledged that EPA’s information technology efforts had been unsuccessful. OARM officials noted that electronic workflow capability would be one of the criteria for selecting a provider. EPA has not determined whether a tracking system and the electronic position description library will be part of its contracted services.

OARM implemented the service centers without obtaining crucial information systems or performing a risk assessment as required by OMB Circular A-123. The circular requires documenting the risk of proceeding without first obtaining the systems. In the previously mentioned OIG Report No. 09-P-0206, we

concluded that EPA pursued updates to human resources systems without documented approval from OMB. EPA responded that it would no longer pursue any upgrades to its existing system but would acquire services from an OPM-approved line-of-business provider.

Service Centers Cannot Assess Performance Regarding Customer Service Standards

Some aspects of service centers' work could not be measured when the centers began operating. According to the 2007 Business Case, developing customer service standards and performance metrics is one of the most important factors contributing to service centers' success. To measure the service centers' performance, a feedback mechanism is necessary to ensure customers receive timely, high-quality services. The toolkit states that EPA should develop evaluation criteria before implementing the reorganization and then evaluate the effectiveness of the reorganization. This evaluation is to include monitoring the implementation process, reviewing how well the new structure is performing, and using performance indicators to measure the effectiveness of the new design.

Customer service standards for the service centers were developed in July 2008, but when the standards became effective in October 2008, there were no methods to measure some of the standards and thus determine whether the standards were met. As a result, program offices and service centers did not have information useful for improving the process.

Some standards could not be measured in July 2008 because:

- Service centers had not established customer feedback tools to determine whether the program offices were satisfied with their performance.
- Service centers had no method to identify customer inquiries about actions being processed.
- There was no method in place to measure how long it took to respond to customer inquiries.

In July 2009, service centers began sending questionnaires to the program office staff about the actions they processed. As part of our review, we interviewed 54 EPA program office staff members and 25 recently appointed staff associated with the sampled actions. Program office staff members were most dissatisfied with how long it took to fill a vacancy, the quality and timeliness of assistance from the service center during the evaluation process, and service center advice about how to best fill a vacancy. Some program office staff members were dissatisfied with their overall dealings with the service center staff. Recently appointed staff members were mostly dissatisfied with orientation activities, their overall dealings with the service center, and the service center's level of effort to keep them informed.

The customer service standards established timeliness goals for service centers' response to customer inquiries, but service center staff do not have information necessary to measure performance against that standard. In addition, as discussed elsewhere, HRACTS data is unreliable. Even though EPA's toolkit recommends developing a plan to ensure the effectiveness of the reorganization, OARM has not done so.

Staffing Plan Was Not Adjusted

The staffing levels proposed for the service centers were neither adequately supported nor adjusted to reflect actual conditions. According to the toolkit, EPA can conduct benchmarking studies of comparable organizations, as well as a workforce assessment, to determine appropriate staffing and grade levels for the new organization. OARM managers said they could not benchmark other organizations because of the differences in the other organizations they reviewed. However, benchmarking studies, even though not of identical organizations, may have helped EPA identify proper staffing levels for service centers, streamline the new process, and provide criteria to evaluate the reorganization's effectiveness. EPA could use benchmarking information in selecting a line-of-business provider by identifying the necessary services to obtain and those services EPA will still have to provide.

For optimal performance of transactional work, the 2007 Business Case concluded that the ratio of service center staff to customers should be 1:180, or about 100 human resources staff for the approximately 18,000 EPA employees. However, the 2007 Business Case did not provide rationale or support for that number. This rationale should have been explained as part of the toolkit's detail design process. EPA's reorganization policy states that all pertinent comments must be resolved with the affected offices before the reorganization proposal can be approved. In a June 2007 joint memorandum to the OARM Assistant Administrator, the Deputy Chief of Staff and 10 Deputy Assistant Administrators questioned the support for the human resources servicing ratio. OARM responded that the ratio used was based on several key assumptions, including the implementation of electronic processing and a tracking system – both needed to improve timeliness. EPA had neither system before it implemented the service centers. Therefore, the comments about the staffing ratio from the Deputy Chief of Staff and 10 Deputy Assistant Administrators were not resolved prior to transitioning to the service centers.

Conclusion

OARM established a reorganization plan with an analysis based on assumptions and new capabilities. OARM did not reevaluate its reorganization plan when it became apparent the plan lacked the capabilities identified as critical to the success of the service centers. Consequently, OARM cannot provide assurance that the plan will succeed in meeting EPA and OPM hiring goals.

Recommendations

We recommend that the Assistant Administrator for Administration and Resources Management, the Chief Financial Officer, and the Assistant Administrator for Environmental Information:

- 2-1 Determine the scope of services to be provided under a human resources line-of-business provider contract. Among the services considered should be an automated workflow process, a tracking system with responsive in-process metrics that will be provided to EPA, and a system to develop and catalog position descriptions.
- 2-2 Based on the above considerations, select a line-of-business provider and develop and implement a plan to migrate to the selected provider.

We recommend that the Assistant Administrator for Administration and Resources Management:

- 2-3 Change EPA Order 1110.8A5, *EPA Reorganization Policy*, and the related toolkit to require that infrastructure requirements (including information systems) are considered and addressed, and risks are assessed in accordance with OMB Circular A-123 before implementing reorganizations.
- 2-4 As specified in the 2008 Customer Service Standards, design and implement methods to:
 - (a) identify customer inquiries and how long it took to respond to those inquiries, and
 - (b) measure performance toward establishing timeliness goals for service centers' responses to customer inquiries.

Agency Comments and OIG Evaluation

In a memorandum dated June 11, 2010, the Deputy Assistant Administrator for Administration and Resources Management (signing for the Assistant Administrator) offered comments on the OIG draft report dated May 4, 2010. Appendix A is this memorandum. Regarding Chapter 2, the Deputy Assistant Administrator agreed with the two recommended actions related to the line-of-business provider (2-1 and 2-2), but suggested different action officials instead of the Deputy Administrator. The Deputy Assistant Administrator stated they expect to select the line-of-business provider by September 30, 2010, and have the new systems implemented and operational by September 30, 2013. The Deputy Assistant Administrator also suggested different corrective actions for the other two recommendations. For example, regarding recommendation 2-3, the Deputy

Assistant Administrator proposed reviewing the order and changing it as appropriate; the Deputy Assistant Administrator did not address changing the related toolkit. Other corrective actions were also suggested at a meeting with OARM officials on June 24, 2010; regarding customer inquiries (2-4), they said they plan to revise the survey of service center customers to obtain customer feedback on the service centers' timeliness in responding to inquiries.

We changed the action officials for the first two recommendations (2-1 and 2-2). We did not revise recommendation 2-3, which was to change the guidance related to reorganizations. We believe the order and toolkit should be changed; until resolved, this recommendation is classified as undecided. Although we did not change recommendation 2-4, the proposed alternative of adding a related question to the customer survey is acceptable to the OIG; we believe it meets the intent of obtaining feedback on the timeliness of responses to inquiries.

Chapter 3

Service Centers Not Meeting Expectations

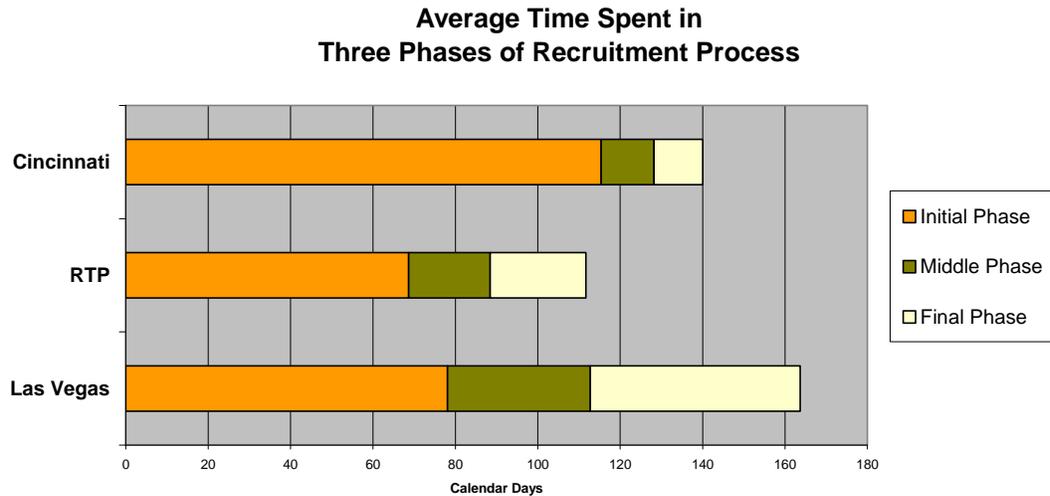
EPA's service center implementation was not meeting organizational or customer expectations. EPA was taking an average of 141 days² to fill vacant positions for the sample actions when the OPM goal was 80 days; thus, EPA exceeded the OPM timeliness goal by 61 days. In addition, service centers did not consistently provide program managers with the best candidates. Further, data quality and recruitment action processes need improvement. Some of these problems occurred due to the issues noted in Chapter 2. We also noted a lack of management attention to policies and inconsistencies in service center operations. As a result, the appointment process is not providing program offices with the right people, in the right place, at the right time, thus impacting EPA's ability to effectively perform its mission.

Service Centers Are Not Meeting Timeliness Goals

EPA service centers did not have the necessary information technology and mix of knowledgeable human resources staff to hire people in a timely manner. Only 1 of the 28 sampled actions was completed within OPM's 80-day goal. Figure 3-1 shows the average time spent in each phase for the three service centers. Overall, it took all three service centers an average of 141 days to fill the vacancies we sampled – 61 days in excess of the 80-day goal. The breakdown by service center was an average of 140 days for Cincinnati, 112 days for RTP, and 162 days for Las Vegas.

² For the purposes of this report, we have calculated calendar days as the days that pass between two given dates. By common practice, calendar days are measured from midnight to midnight. The formula for this calculation is [later date] – [earlier date]. With this approach, if two or more activities occur on a single day, the time between these activities does not count as a calendar day; thus a zero would be entered as the elapsed calendar days for this event. For example, if the classifier completes the classification on the same day he/she received it, this day would not count as a calendar day in the overall calculation of days expended during this hiring action. The net effect of this approach is that our calculations may understate the total number of days required to complete a given hiring action.

Figure 3-1



Source: OIG analysis of sample items.

In a memorandum dated June 30, 2009, the then-Acting OARM Assistant Administrator acknowledged that challenges remain in meeting the OPM timeframes. He went on to state that OARM is leading an ongoing collaborative effort among the three centers to identify and share best practices to increase the overall efficiencies to support performance.

For the sampled actions in Figure 3-1, the initial phase of the recruitment process consumed most or all of the 80 days (an average of 115 days for Cincinnati, 69 days for RTP, and 78 days for Las Vegas). We identified several factors that contributed to the lengthy staff appointment period, as follows.

Position Classification Is Time Consuming

EPA did not consistently use standard or previously classified position descriptions and conducted a full classification review even when using previously classified descriptions. It took the service centers an overall average of 12 days to classify the sampled actions. EPA's goal is 2 days according to the SOP on position descriptions. OPM's goal is 1 day, but assumes agencies are using automated systems and standard or previously classified position descriptions. A standard position description can be used to describe a number of positions and provides a single position description covering two or more positions within an organization that are substantially the same.

EPA Order 3150.1, *Position Classification*, encourages using standard position descriptions. These standard position descriptions could be classified in advance. They may also have their risk designation determined in advance, which would eliminate the need for EPA's Personnel Security Branch to review them. Service center directors agreed that using standard position descriptions saves time, but indicated that using previously classified position descriptions may not save time

because some previously classified position descriptions are out of date and require a thorough classification review. However, using position descriptions classified within the last 5 years would allow a specialist to perform an abbreviated review.

Improved Mix and Training of Specialists Needed

Staff for the centers was not as experienced as expected. The three service center locations were selected in part because OARM said it could attract experienced personnel at those locations. However, no analysis supported this assumption. The service center directors have found it difficult to hire experienced personnel and it will take time for the recently hired specialists to become fully productive. Some recently hired specialists needed additional training to perform certain duties. In a June 30, 2009, memorandum, the then-Acting OARM Assistant Administrator noted that the service centers have increased training.

As noted, it took EPA an average of 12 days to classify a position. According to service center staff, knowledgeable specialists were not always available to promptly classify positions, and all three centers have supplemented their classification expertise with contractor resources. Las Vegas has two contract classifiers available to help with classifying; RTP and Cincinnati use the same contractor and have about \$1.4 million available for contracted services. However, EPA still did not meet the EPA or OPM performance standards.

Mix of Paper and Electronic Documents Can Lead to Delays, Errors

EPA has not obtained the electronic workflow capability it identified as necessary for successful implementation of the service center model. Consequently, it continues to fill vacancies using a mixture of electronic systems and manual, paper-intensive steps. Each shift between paper and electronic steps increases the likelihood of a delay and the opportunity for error. For example, one subject-matter expert noted a page on qualification questions was missing, and several e-mail exchanges were needed over a 27-day period to resolve all the problems. In another instance, a recently hired person indicated her transcripts were initially lost and the person had to FedEx another copy, which the person believed delayed her entry on duty by about 3 weeks. Although a version of EZ-Hire can handle electronic transcripts, EPA's version cannot. Table 3-1 identifies the many documents in the recruitment process that are mailed, faxed, or e-mailed to the service centers and must be integrated into the electronic-based parts of the system.

Table 3-1: Nonelectronic Portions of Recruitment Process

Initial Phase
<ul style="list-style-type: none"> • Recruitment documents from the program office (including signed documents such as the SF-52, position description, extramural resources management duties checklist, staffing requisition, travel determination forms, and justification for term position) are sent to the service center by mail or FedEx. • The Job Analysis Report, prepared by the specialist and subject-matter expert, must be printed and signed by both individuals. This report identifies questions for the announcement selected by the expert from the EZ-Hire question library, but the expert cannot electronically transfer the questions to the announcement. • The Weights and Screenout Report that is generated by EZ-Hire must be printed and signed by the program expert. • The vacancy announcement that is generated by EZ-Hire must be printed and signed by someone in the program office.
Middle Phase
<ul style="list-style-type: none"> • Paper copies of applicants' supplemental documentation, such as proof of military service and college transcripts, must be mailed, e-mailed, or faxed to the service center and filed.
Final Phase
<ul style="list-style-type: none"> • Documents such as the OF-306, <i>Declaration for Federal Employment</i>, must be signed by the selected candidate and sent to the service center. • During orientation, some documents must be signed by the new employee and sent to the service center, such as the Form I-9 <i>Employment Eligibility Verification</i>.

Source: SOPs and participant interviews.

EPA should be able to fill vacancies quicker and accurately by obtaining an electronic workflow process such as that identified in the 2007 Business Case. EPA intends to make electronic workflow a criterion for selecting a line-of-business provider.

EZ-Hire Question Library Difficult to Use

Subject-matter experts select questions from EPA’s EZ-Hire electronic question library to develop vacancy announcements. OARM maintains the library, which contains approximately 38,000 questions. For over 50 percent (15 of 28) of the sampled actions, either the selecting official or subject-matter expert interviewed was dissatisfied with the usability and quality of the library. Specialists needed help from subject-matter experts to (1) analyze the job, (2) select appropriate questions, and (3) determine the relative importance of the questions. Subject-matter experts and selecting officials told us that the library questions were poorly organized, searching for questions was difficult, questions were duplicated, and some questions had spelling and grammar errors. As a result, those not familiar with the library need more time to select questions; one subject-matter expert using the library for the first time reported spending about 40 hours doing so.

Service Centers Have Not Consistently Provided Qualified Candidates

An important part of the appointment process is providing program offices with a list of the most qualified candidates, but the service centers did not consistently provide the desired quantity and quality of candidates. For three of the nine delegated examining actions sampled, the selecting official and/or subject-matter expert from the program office reported not receiving certificates with qualified candidates. We noted the following issues.

Policy Unnecessarily Limits Choices

For delegated examining announcements, the SOP unnecessarily limits the list of names sent to the selecting official. The SOP provides that the certificate will consist of the top three candidates if there is one vacancy, plus one additional candidate for each additional vacancy. According to the service center directors, the list was limited because Title 5 Code of Federal Regulations 332.404 requires selecting officials to select from the three highest-ranked candidates. The regulations state that an appointing officer will select someone “from the highest three eligibles on the certificate who are available for appointment.” This is commonly known as the “rule of three.”

Some program offices were not satisfied with receiving only three candidates. Title 5 Code of Federal Regulations 332.402 provides that selecting officials will receive sufficient names, when available, to allow them to consider *at least* three candidates for each vacancy (emphasis added). Therefore, three is the *minimum* for the certificate, not the maximum. Selecting officials may object to a candidate to reach another applicant if they believe one of the top three candidates is not qualified or there are suitability issues. However, objecting can be time consuming and involve an OPM review. Until the objection is resolved, the selecting official cannot pick anyone else. The program office can also cancel the announcement and readvertise the position, which also requires significant time.

EPA Should Use Category Rating to Identify Best Candidates

For competitive appointments from delegated examining announcements, category rating is an alternate process to the rule of three that can provide additional qualified candidates for consideration. Instead of using numerical scores, a category-based method assesses, rates, and ranks applicants, taking into account veterans preference. The selecting official may pick any of the candidates in the highest quality category. Category rating may be used for merit promotion announcements.

According to OPM’s *Delegated Examining Operations Handbook*, agencies wishing to use category rating must have a policy to do so. EPA has had a draft category rating policy since 2007 and has recently taken steps to issue it. The Human Resources Policy Division director said that the policy was not a priority, and if it became a priority, it would take about 2 years to issue due to staff shortages. This

director noted that issuing the policy would take that long because they would have to research the issue, obtain input from stakeholders, ensure related systems can incorporate the categories, usher the proposal through the clearance process, and train users. The draft policy has already been tested against EZ-Hire to ensure that system could incorporate the categories. Using category rating should be reconsidered.

Subject-Matter Experts Should Perform More Initial Reviews

Service center specialists do not typically request help from subject-matter experts in program offices when evaluating applicants. Early input by subject-matter experts would improve the quality of the candidates, although it would require more effort by the expert. SOPs provide that specialists may involve subject-matter experts in reviewing applications. According to OMB in Memo M-09-20, issued June 11, 2009, involving the hiring managers in all critical parts of the hiring process, including the initial review of applications, is necessary to improve the hiring process. In EPA's case, SOPs should state that program offices should determine who performs the initial reviews, subject-matter experts or specialists. This determination would help ensure that quality candidates are selected because, for certain positions, specialists may not have the expertise to evaluate applicants' qualifications. We noted instances in which the selecting offices were not satisfied with initial names provided, and earlier involvement by the subject-matter experts could have prevented that from occurring.

Data Quality and Recruitment Action Processing Issues Noted

HRACTS, the database used to track recruitment actions, had inaccurate and incomplete entries for most of the actions we reviewed. In addition, we noted various other processing issues. These issues made it more difficult to accurately track the status of recruitment actions and caused confusion for new employees.

HRACTS Database Contains Errors and Is Incomplete

Information in the HRACTS tracking system was not always accurate and complete. HRACTS provides workload and performance information to the service centers and program offices. Each specialist adds information to the system and has authority to edit existing data. HRACTS mostly consists of activity dates related to processing recruitment actions, such as when the service center received the recruitment package and the effective date when the selected candidate reported for duty. EPA uses these dates in HRACTS to generate reports on the 80-day goal for OPM. The HRACTS database generates monthly status reports that the service centers send to program offices. Some program offices are also given access to view HRACTS data on a test basis.

At the time of our review, there was no method to ensure the accuracy or completeness of the HRACTS data. According to EPA procedures on the life

cycle of information systems (*System Life Cycle Management Procedures*, OEI 2121-P-01.0), data must be continually checked for accuracy and completeness. If HRACTS does not contain accurate and complete data, including an entry for each action, information from HRACTS will be unreliable. We noted the following problems with the quality of the data:

- Not every action had a record in HRACTS. Two actions in our sample did not have a separate record in the system; one of these was combined with another action in a single record, and the other had no record at all.
- Some fields that should contain information were blank. For 23 fields within the 27 HRACTS records for the sampled actions, 7 records were complete and 20 records were missing information in one or more fields.
- Data in the fields were not always accurate. Of the 27 sampled actions with a HRACTS record, comparison of the case file to the HRACTS record indicated that 5 records had accurate information and 22 records contained incorrect information in one or more fields.

Inaccurate and incomplete HRACTS data will adversely affect the quality of timeliness measures and managers' decisions on workload and processing. Of the 27 sampled actions with information in HRACTS, the data needed to measure the 80-day goal were incomplete for 8 actions. For the 19 actions with the necessary HRACTS data, the dates in HRACTS indicated processing the actions took an average of 132 days, while our comparison against case file documentation showed it actually took 141 days. Fixing HRACTS deficiencies in the short term and determining whether to replace HRACTS with another tracking system in the long term would improve the documentation of management decisions on workload and processing.

Service Center Processing Issues Noted

Service centers did not follow all SOPs to ensure consistent and efficient operations among the three centers. We noted the following:

Erroneous/Missing Offer Letters. Nearly half of the recently appointed employees in our sample indicated they did not receive a formal offer letter or the letter they received was incorrect. According to SOPs, service centers are required to send formal job offer letters to selected candidates once their entrance dates have been established. Of the 25 recently appointed employees interviewed, 8 whose appointments were processed by RTP or Cincinnati said they did not receive a formal offer letter, while 3 processed by Las Vegas reported receiving letters with inaccuracies, such as errors in pay grade or steps.

Center Did Not Use Case File Checklist. For the actions in our sample, staff at Las Vegas did not use a case file checklist as required by SOPs. SOPs require a

checklist to ensure that the case file contains the appropriate documents and to document that certain activities in the process were performed. The Las Vegas director told us that the service center began using checklists in March 2009.

Procedures Do Not Address the Role of the Personnel Security Branch.

Although not identified in SOPs, the Personnel Security Branch, which is part of OARM, determines the risk level of positions to be filled and is responsible for security clearances. Both the service centers and the Personnel Security Branch track when SF-52 documentation is submitted and/or released to one another. The Personnel Security Branch uses a system that automatically enters dates; the service centers enter information manually. We found date discrepancies between the two systems, which adversely affect analysis of timeliness.

Center Does Not Allow Staff to Develop Expertise with Program Offices.

Unlike the RTP and Cincinnati service centers, where staff consistently work on recruitment actions for a specific program office, the Las Vegas center assigns staff to work on recruitment actions on a first-in, first-out basis. Working consistently with the same program office would allow a specialist to gain expertise in the type of positions used by that office and be better able to evaluate applicants for those positions. It would also improve communication, which some program office staff identified as a problem with Las Vegas. Knowing the point of contact for recruitment actions reduces confusion and facilitates question resolution.

Conclusion

OARM implemented and operated the service centers without all the necessary tools needed to succeed and could not reach OPM's 80-day timeliness goal. Procedural and policy changes, along with information systems improvements, are needed to assure efficient operation of the appointment process by the service centers in the near term, and by the line-of-business provider when selected.

Recommendations

We recommend that the Assistant Administrator for Administration and Resources Management:

- 3-1 Help the Assistant Administrators and Regional Administrators develop and use standard position descriptions where practicable. These position descriptions should be included in the electronic position description library and made available to all offices.
- 3-2 Work with the Assistant Administrators and Regional Administrators to review questions in the EZ-Hire question library and, if needed, correct erroneous or out-of-date questions.

- 3-3 Increase the involvement of the subject-matter experts in reviewing applications to determine who should be on the candidate list sent to the selecting official.
- 3-4 Address staffing, policy, and procedural needs for processing appointment actions until EPA migrates to a line-of-business provider. Specifically:
 - (a) Ensure there are sufficient, qualified personnel to operate the service centers;
 - (b) Expeditiously issue the category rating policy;
 - (c) Establish standard operating procedures to address (1) how recruitment actions are assigned to specialists, (2) the role of the Personnel Security Branch, and (3) how improvements suggested by feedback from the program office staff will be addressed;
 - (d) Ensure that the service centers follow the standard operating procedures; and
 - (e) Establish sufficient internal controls on data quality to ensure the Human Resources Activity and Communication Tracking System information is complete and accurate.

Agency Comments and OIG Evaluation

With two exceptions, in the memorandum dated June 11, 2010, the Deputy Assistant Administrator for Administration and Resources Management agreed with the recommendations in Chapter 3. However, the Deputy Assistant Administrator suggested a different action official for the first three recommendations (3-1, 3-2, and 3-3). In several cases, the Deputy Assistant Administrator identified actions already taken to correct the problems identified. For example, regarding recommendation 3-1, a workgroup that included staff from the RTP HRMD and a program office were developing standard position descriptions. The two exceptions concerned changes to SOPs under recommendation 3-4(c). Regarding how recruitment actions would be assigned to specialists (3-4(c)(1)), the Deputy Assistant Administrator disagreed. The Deputy Assistant Administrator's comments indicated managers would assign work based on timeliness and quality of delivered services. Regarding improvements suggested by the program offices (3-4(c)(3)), the Deputy Assistant Administrator did not commit to incorporating into the SOP how suggested improvements would be addressed.

As suggested, we changed the action official for the first three recommendations and revised recommendations 3-1 and 3-2 slightly to accommodate the change.

The effort described by the Deputy Assistant Administrator to standardize position descriptions is acceptable to the OIG if the Assistant Administrator approves and implements a plan to standardize position descriptions and makes the standard position descriptions available to all. Similarly, the actions proposed to improve the EZ-Hire Library are acceptable if the program offices are properly involved. Recommendations resolved by completed actions are identified in the Status of Recommendations and Potential Monetary Benefits table that follows, and need not be addressed in the 90-day reply. Regarding the two changes to SOPs with which the Deputy Assistant Administrator either disagreed or did not endorse, we believe in both cases that the SOPs should be revised to ensure consistency in operating the service centers. Until resolved, these items are classified as undecided.

Status of Recommendations and Potential Monetary Benefits

RECOMMENDATIONS						POTENTIAL MONETARY BENEFITS (in \$000s)	
Rec. No.	Page No.	Subject	Status ¹	Action Official	Planned Completion Date	Claimed Amount	Agreed To Amount
2-1	10	Determine the scope of services to be provided under a human resources line-of-business provider contract. Among the services considered should be an automated workflow process, a tracking system with responsive in-process metrics that will be provided to EPA, and a system to develop and catalog position descriptions.	O	Assistant Administrator for Administration and Resources Management, Chief Financial Officer, and Assistant Administrator for Environmental Information	9/30/2010		
2-2	10	Based on the above considerations, select a line-of-business provider and develop and implement a plan to migrate to the selected provider.	O	Assistant Administrator for Administration and Resources Management, Chief Financial Officer, and Assistant Administrator for Environmental Information	9/30/2013		
2-3	10	Change EPA Order 1110.8A5, <i>EPA Reorganization Policy</i> , and the related toolkit to require that infrastructure requirements (including information systems) are considered and addressed, and risks are assessed in accordance with OMB Circular A-123 before implementing reorganizations.	U	Assistant Administrator for Administration and Resources Management			
2-4	10	As specified in the 2008 Customer Service Standards, design and implement methods to: <ul style="list-style-type: none"> (a) identify customer inquiries and how long it took to respond to those inquiries, and (b) measure performance toward establishing timeliness goals for service centers' responses to customer inquiries. 	O	Assistant Administrator for Administration and Resources Management			
3-1	19	Help the Assistant Administrators and Regional Administrators develop and use standard position descriptions where practicable. These position descriptions should be included in the electronic position description library and made available to all offices.	O	Assistant Administrator for Administration and Resources Management			
3-2	19	Work with the Assistant Administrators and Regional Administrators to review questions in the EZ-Hire question library and, if needed, correct erroneous or out-of-date questions.	O	Assistant Administrator for Administration and Resources Management			
3-3	20	Increase the involvement of the subject-matter experts in reviewing applications to determine who should be on the candidate list sent to the selecting official.	O	Assistant Administrator for Administration and Resources Management			

RECOMMENDATIONS						POTENTIAL MONETARY BENEFITS (in \$000s)	
Rec. No.	Page No.	Subject	Status ¹	Action Official	Planned Completion Date	Claimed Amount	Agreed To Amount
3-4	20	Addresses staffing, policy, and procedural needs for processing appointment actions until EPA migrates to a line-of-business provider. Specifically:		Assistant Administrator of Administration and Resources Management			
		(a) Ensure there are sufficient, qualified personnel to operate the service centers;	C				
		(b) Expeditiously issue the category rating policy;	C				
		(c) Establish standard operating procedures to address (1) how recruitment actions are assigned to specialists, (2) the role of the Personnel Security Branch, and (3) how improvements suggested by feedback from the program office staff will be addressed;	U				
		(d) Ensure that the service centers follow the standard operating procedures; and	C				
		(e) Establish sufficient internal controls on data quality to ensure the Human Resources Activity and Communication Tracking System information is complete and accurate.	C				

¹ O = recommendation is open with agreed-to corrective actions pending
 C = recommendation is closed with all agreed-to actions completed
 U = recommendation is undecided with resolution efforts in progress

Appendix A

Agency Response to Draft Report

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
ADMINISTRATION
AND RESOURCES
MANAGEMENT

JUNE 11, 2010

MEMORANDUM

SUBJECT: Response to Draft Office of Inspector General Report "EPA's Revised Hiring Process Needs Additional Improvements" Project No. OPE- FY08-0015

FROM: Craig E. Hooks /s/ *Susan B. Hazen for CEH*
Assistant Administrator

TO: Eric Lewis
Special Review Product Line Director
Office of Inspector General

Thank you for the opportunity to review the subject report and provide you with our comments. As the National Program Manager (NPM) for Human Resources, I am the appropriate action official for addressing the findings and recommendations in the report. In general, I look forward to sharing additional information with your office to document the steps we have taken towards achieving the goals reflected in the recommended actions. This is due in no small part to the continued efforts of staff in the Shared Service Centers (SSCs) and in the Office of Human Resources. That information is included as an attachment to this memorandum. By way of clarification, we would like to offer the following observations for your consideration:

In the introduction section of the report, under the heading titled "*OPM Wants Agencies to Use Certified Providers; EPA is Uncertain What Services It Will Obtain*," the report acknowledges that "*OPM, at the direction of OMB, is managing a government-wide effort to improve service and reduce costs for information technology systems and supporting processes associated with human resources.*" We wish to point out that:

- OMB's decision to have OPM manage this government-wide effort included a moratorium on any additional investments by Agencies in information technology systems; and
- EPA was in the final planning stages for our migration to the shared service center model at that point in time.

We believe that the decision to move to SSCs was appropriate. This transition better positions the Agency to improve human resources customer service on several fronts, specifically achieving greater efficiency in the hiring process.

In closing, I would again like to offer my appreciation for the opportunity to comment on the draft report. We will email this memo and our responses to the proposed recommendations to Christine Baughman as requested. If you or your staff have any additional questions, please contact Kimberly Lewis, Director, Office of Human Resources at (202) 564-4606, or Marvin Schulman at (202) 564-7778.

Attachment

cc: Susan Hazen
Sandy Womack
Sherry Kaschak
Kimberly Lewis
Susan Kantrowitz

Attachment

Below is the OARM response to the recommendations in the draft evaluation report “*EPA’s Revised Hiring Process Needs Additional Improvements*” Project No OPE-FY08-0015, issued by the Office of the Inspector General on May 4, 2010.

Recommendations

We recommend that the EPA Deputy Administrator:

2-1 Determine the scope of services to be provided under a human resources line-of-business provider contract. Among the services considered should be an automated workflow process, a tracking system with responsive in-process metrics that will be provided to EPA, and a system to develop and catalog position descriptions.

While we are in agreement with the substance of the recommendation, we believe that the Assistant Administrator (AA) for OARM is the appropriate action official for determining the scope of services to be included in our human resources line-of-business (HR LoB) system. “Workflow” is not only important for the electronic routing of various HR documents, but is also necessary for an effective tracking system where information is in the hands of the requesting office at any time. The ability to provide this information is very important to the selection of an HR LoB provider. We agree with the report’s recommendation for including a system to develop and catalog position descriptions (a PD library). The system we have been exploring has these capabilities.

2-2 Based on the above considerations select a line-of-business provider and develop and implement a plan to migrate to the selected provider.

Staffs from the Office of the Chief Financial Officer, Office of Human Resources, and human resources representatives from the regions and shared service centers have been involved in fit-gap exercises to examine the functionality of a potential replacement for our current Peoplesoft and DFAS systems. This is a critical step to ensuring that the Agency’s system needs can be met, in order to make a recommendation to senior management that is in EPA’s best interests.

A presentation on the HR LoB provider currently under consideration was made to members of the Assistant Regional Administrator (ARA) community and other Agency leaders in late May, 2010. The purpose of the presentation was to explain the progress to date in conducting the fit-gap analyses to identify any potential technical system logistics, gather feedback on any system needs or concerns the ARAs may have had, and to gain their support for this effort.

An implementation plan, mapping out the steps that need to be taken from the point of selection to the point that the system is operational has been drafted. It projects having a new line-of-business system implemented and operational in FY2013 provided the AA for OARM and the Chief Financial Officer reach a final decision on a line-of-business provider by the end of FY2010.

We recommend that the Assistant Administrator for Administration and Resources Management:

- 2-3 Change EPA Order 1110.8A5, *EPA Reorganization Policy*, and the related Toolkit, to require that infrastructure requirements (including information systems) are considered and addressed, and risks are assessed in accordance with OMB Circular A-123 before implementing reorganizations.**

We will review the Order and make any changes as appropriate.

- 2-4 As specified in the 2008 Customer Service Standards, design and implement methods to**

- (a) identify customer inquiries and how long it took to respond to those inquiries, and**
- (b) measure performance toward established timeliness goals for service centers' responses to customer inquiries.**

The 2008 Customer Service Standards were developed at the outset of our migration to the shared service center model. Based on our experience and additional analysis, we believe it is not practical or feasible to track customer inquiries. We are currently analyzing the practicality of this requirement.

The data in the Human Resources Activity and Communication Tracking System (HRACTS) is better and more accurate than was the case when representatives from OIG looked at the system during the early phases of their evaluation. Program offices now have direct access to the HRACTS system, alleviating the need to make inquiries

Recommendations

We recommend that the Deputy Administrator direct the Assistant and Regional Administrators to:

- 3-1 Develop and use standard position descriptions where practicable. These position descriptions should be included in the electronic position description library and made available to all offices.**

An effort to develop standard position descriptions (PDs) has already begun. A workgroup composed of Staff from the RTP Shared Service Center and representatives from the Philadelphia Regional Office has been assembled to “*kick-start the effort and develop a proposed work plan*” to develop standard PDs. The workgroup made an initial presentation to the ARAs, the Regional Human Resources Officers and the Headquarters Program Management Officers at a conference in May. The workgroup showcased a sample of a standard PD they drafted for an interdisciplinary Remedial Project Manager, GS-401/819/1301-13, along with a

sample vacancy announcement and job analysis record. The workgroup has established a plan that calls for standardized PDs to be developed for the top ten most frequent positions by the end of the fourth quarter of FY 10. Under this approach, the workgroup plans to standardize approximately 15 positions every quarter, and post them on the SSC website for supervisors and managers to access.

3-2 Review questions in the EZ-Hire question library associated with their office and, if needed, recommend that the Assistant Administrator for Administration and Resources Management correct erroneous or out-of-date questions.

Staff in the Office of Human Resources' IT Division (ITD) have made a number of improvements to the EZHire question library, including correcting or eliminating erroneous or out-of-date questions. There have been a number of drivers behind this effort. In April of this year, EPA transitioned to an upgraded version of the Monster Government Solutions (MGS) hiring software that EPA calls "EZHire." As part of that effort the ITD staff reviewed and eliminated all inactive questions and questions designed for interdisciplinary positions. They also eliminated spelling, punctuation or grammatical errors in the remaining questions. The staff is part of a workgroup comprised of representatives from across the Federal government who use the MGS Enterprise Hiring Management System. The purpose of the workgroup is to identify best practices, and to share ideas and make recommendations on current/future system enhancements to improve the hiring process.

3-3 Increase the involvement of the subject matter experts in reviewing applications to determine who should be on the candidate list sent to the selecting official.

We agree that additional involvement from subject matter experts (SMEs) can have an impact on the quality of the certificates of eligibles sent to selecting officials. We recognize that their involvement in the selection and weighting of EZHire questions when developing the job analysis is also critical. We will review the standard operating procedures (SOPs) and look for opportunities to increase their involvement.

We recommend that the Assistant Administrator for Administration and Resources Management:

3-4 Addresses staffing, policy, and procedural needs for processing appointment actions until EPA migrates to a line-of-business provider. Specifically:

- **Ensure there are sufficient, qualified personnel to operate the service centers;**

We agree with this recommendation and have taken steps to ensure that all of the SSCs are currently at their allocated FTE ceilings. The SSCs have developed an internal training curriculum for those employees hired into trainee positions, use on-the-job training opportunities, and have also assigned staff to serve in a quality assurance capacity. As a result of these efforts, this recommendation has already been implemented and completed.

- **Expediently issue the category rating policy;**

The Office of Human Resources has finalized the Agency guidance on category rating, and is in the process of developing a roll-out strategy to train (1) the HR specialists on how to effectively use the category rating process; and (2) selecting officials. This step is critical to ensuring that supervisors understand how category rating process is different from the “rule of three” under the Delegated Examining authority, or the process used under our merit promotion plan. We anticipate implementing this new rating process before November 1, 2010, as mandated by OPM.

- **Establish standard operating procedures to address**

(1) how recruitment actions are assigned to specialists;

Our SSC customer service standards are focused on timely and quality delivery of our services. Managers take this into account when making work assignments.

(2) the role of the Personnel Security Branch; and

The role of the Personnel Security Branch (PSB) in the screening of position descriptions was the result of an effort to standardize the processes by which risk designation levels were assigned to positions and the manner in which such suitability determinations were made. This is similar to the changes experienced by the various Regional offices as a result of migrating to a SSC. We will review the SOPs to determine the proper placement of PSB’s role.

(3) how improvements suggested by feedback from the program office staff will be addressed.

We use customer service visits and survey data as valuable tools to guide our improvements.

- **Ensure that the service centers follow the standard operating procedures; and**

The Office of Administration and Resources Management has three primary mechanisms in place to ensure that the SSCs are following their standard operating procedures. The first of these is the Agency’s HR assessment program which is managed by the Human Capital Accountability Branch within the Office of Human Resources. Under this program, an assessment team conducts a transactional audit of the work performed by the shared service centers. The team reviews transactional work conducted by the SSCs for regulatory compliance as well as compliance with the Agency policies and SOPs. Representatives from the Office of Personnel Management typically accompany assessment team members on these assessments, and copies of the final report are sent to OPM as well as the Office of the Inspector General, as part of this process. The first assessment of an SSC was conducted during the last quarter of FY 2009. FY 2010 is the first year in which all three SSCs will be visited by the assessment team.

The second mechanism for ensuring consistency involves discussion of such issues (when they occur) as a regular part of the HR SSC Executive Meetings. These meetings are held quarterly and chaired by OARM's Principal Deputy Assistant Administrator.

Third, OARM created and filled an "HR Liaison" position during the last quarter of FY 2009 to serve as a high-level point of contact and interface between the SSCs and their regional and headquarters clients. The Liaison is an active participant on the SSC's SOP workgroup, coordinates SSC issues with other parts of OHR, and participates in the SSC Executive Meetings. Creating this position also provided another avenue for representatives from the regions or AAs to ask questions or raise concerns, including those involving consistent application of the SOPs.

- **Establish sufficient internal controls on data quality to ensure the Human Resources Activity and Communication Tracking System (HRACTS) information is complete and accurate.**

While the SSC Branch Chiefs and team leaders have made additional efforts to ensure that the information in the system is complete and accurate, additional challenges to keeping the system up-to-date remain. The SSCs have included metrics for updating the system in the performance standards for their HR Specialists and HR Assistants, and will use that information as part of the performance assessment process.

Appendix B

Distribution

Office of the Administrator
Assistant Administrator for Administration and Resources Management
Assistant Administrator for Environmental Information and Chief Information Officer
Chief Financial Officer
Agency Audit Follow-up Coordinator
General Counsel
Associate Administrator for Congressional and Intergovernmental Relations
Associate Administrator for External Affairs and Environmental Education
Audit Follow-up Coordinator, Office of Administration and Resources Management
Audit Follow-up Coordinator, Office of Environmental Information
Audit Follow-up Coordinator, Chief Financial Officer
Inspector General