



OFFICE *of*
INSPECTOR GENERAL
NATIONAL ARCHIVES

Audit of NARA's Human Capital Practices

June 4, 2018

OIG Audit Report No. 18-AUD-09

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Executive Summary

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Why Did We Conduct This Audit?

We conducted this audit because the Office of Inspector General (OIG) has consistently named Human Resources Management as a Top Ten Management Challenge since 2015. The audit objective was to determine whether the National Archives and Records Administration's (NARA) human capital practices are operating efficiently and effectively. Specifically, we assessed NARA's Office of Human Capital's (Human Capital) leadership, culture, and recruitment and hiring practices.

What Did We Recommend?

We made six recommendations to strengthen Human Capital's control environment. Management concurred with the six recommendations in this audit report, and in response, provided a summary of their proposed actions.

What Did We Find?

NARA's Human Capital did not effectively perform its delegated duties. Specifically, we found the organization to be operating without a strategic plan and a lack of documentation supporting its objectives, priorities, and specific plans to execute delegated responsibilities. We also found non-existent or ineffective internal controls; a negative culture within the organization resulting in allegations of a hostile work environment, including claims of retaliation, harassment, and discrimination; lack of standardized processes, guidance, and training; and ineffective systems marred with data integrity issues.

These conditions existed due to the absence of clear leadership and guidance within Human Capital. The inability for Human Capital leadership to strategically act and recognize the magnitude of problems within the organization significantly contributed to the organization's deterioration and lack of confidence by NARA offices who rely on them for hiring and staffing and to support NARA's strategic goal "To Build Our Future Through Our People."

In September 2017, NARA announced a major transition in Human Capital with the migration to a new shared service provider for human resources systems and services. The migration is expected to occur in Fiscal Year (FY) 2019. The provider will provide new systems for personnel, recruitment, and time and attendance. The provider's staff will also provide human resources services, including staffing and recruitment, employee benefits, workers compensation, and payroll services. NARA stated these steps were necessary to improve the timeliness of the hiring process and provide better human capital services. A new shared service provider will provide NARA with standardized processes and service-level agreements ensuring more NARA hiring actions are completed within the 80-day standard. The former Deputy Chief Human Capital Officer (DCHCO) and Chief Human Capital Officer (CHCO) departed NARA in October and November 2017, respectively.

Until NARA successfully completes the migration to the new shared service provider, the deficiencies identified during the audit represent a material weakness in Human Capital and will continue to have a negative impact on NARA's performance.

Background

Through its 2014-2018 Strategic Plan, the National Archives and Records Administration (NARA) established its strategic goal to “Build Our Future Through Our People.” This strategic goal is the agency’s commitment to provide all employees with the training and opportunities necessary to successfully transition to a digital environment. The strategic goal calls for NARA to: (1) build a modern and engaged workforce, develop the next generation of leaders, and encourage employees to collaborate, innovate, and learn; and (2) provide a workplace that fosters trust, accepts risk, and rewards collaboration. Among the initiatives under the strategic goal are:

- Foster an employee development culture to promote learning and leadership by all;
- Cultivate a robust, well-connected internal communications environment to support informed action at all levels;
- Implement innovative practices and tools to recruit, sustain, and retain a 21st-century workforce; and,
- Create new career paths for NARA employees to ensure that we have the necessary competencies and skills in a digital environment.

NARA’s Office of Human Capital (Human Capital) is led by its Chief Human Capital Officer (CHCO). After a reorganization effective October 2, 2016, the CHCO reports to the Chief of Management and Administration (CMA) (the CHCO formerly reported directly to the Archivist of the United States). The CHCO is responsible for planning, directing, and providing human capital management services; developing and administering NARA human capital policies and procedures; performing executive personnel management functions; consulting on the implementation of organizational development initiatives; ensuring the agency meets NARA human capital goals and targets identified in NARA’s Strategic Plan and Annual Performance Plan; managing office resources and overseeing process and organizational improvement initiatives to facilitate targeted achievements; and administering the information technology and business intelligence systems that support the agency’s human capital programs and functions.

Human Capital contains four divisions: (1) Strategy, Analysis, and Automation; (2) Talent Acquisition; (3) Labor/Employee Relations, Benefits, and Performance Management; and (4) Learning and Organizational Development. The Talent Acquisition Division (HT) contains three branches: (1) Executive Resources Team; (2) Staffing and Recruitment; and (3) Classification. The Staffing and Recruitment Branch (HTS) plans, directs, and provides human resources services to continuously improve human resources policies, practices, and tools related to recruiting and retaining a talented, diverse workforce for NARA. NARA utilizes six systems to track and manage personnel and payroll data for its Federal workforce. The six systems include: the Federal Personnel Payroll System (FPPS); Quicktime; Datamart;

Workforce Transformation Tracking System (WTTS); Entrance-on-Duty System (EODS); and USA Staffing.

Since Fiscal Year (FY) 2015 NARA's Office of Inspector General (OIG) has identified Human Resources Management as a Top Ten Management Challenge in our Semiannual Reports to Congress. Our reports to Congress discuss the lack of a comprehensive and cohesive approach to human capital management, inadequate policies and procedures, and numerous existing systems making it difficult to manage the workforce. Additionally, in August 2015, the OIG issued Audit Report No. 15-13, Audit of NARA's Human Resources Systems and Data Accuracy. The audit found security and availability controls for systems hosted by the Interior Business System were adequate. However, opportunities existed to strengthen NARA's ability to maintain data reliability and accuracy, provide adequate user training, conduct access reviews for the systems, and manage personnel data and system access for individuals other than federal employees (e.g. contractors). Additionally, most of the issues existed because strong internal controls, including detailed and clearly defined policies and procedures were not implemented; and user training and education were not adequately enforced. The audit made 11 recommendations to assist NARA in strengthening the security, availability, and integrity of its systems and personnel data. To date, six recommendations remain open.

In September 2017, NARA announced a major transition in Human Capital with the migration to a new shared service provider for human resources systems and services. The migration is expected to occur in FY 2019. The provider will provide new systems for personnel, recruitment, and time and attendance. The provider's staff will also provide human resources services, including staffing and recruitment, employee benefits, workers compensation, and payroll services. NARA stated these steps were necessary to improve the timeliness of the hiring process and provide better human capital services. A new shared service provider will provide NARA with standardized processes and service-level agreements ensuring more NARA hiring actions are completed within the 80-day standard.

Objectives, Scope, Methodology

The objective of the audit was to determine whether NARA's human capital practices were operating efficiently and effectively. Specifically, we focused on staffing and recruitment practices. In future work, we will review whether controls are operating efficiently and effectively for the performance management and awards/recognition programs. To accomplish our audit objective, we identified and reviewed the following documentary evidence:

- NARA's 2014-2018 Strategic Plan;
- NARA 101, *Organization and Delegation of Authority*, Part 4 – Office of Human Capital;
- NARA Directive 111, *NARA Directives*; and NARA Directives – 300 Series;
- Government Accountability Office (GAO)'s *Standards for Internal Control in the Federal Government*;
- Office of Personnel Management (OPM) *Delegated Examining Operations Handbook: A Guide for Federal Agency Examining Offices*;
- OPM's *End-to-End Hiring Initiative*;
- *Presidential Memorandum Regarding the Hiring Freeze*, dated January 23, 2017; and
- OPM's *Guide to Processing Personnel Actions*, Chapter 6, *Creditable Service for Leave Accrual*.

Further, we reviewed FY 2013 through FY 2017 Internal Control Reports; risk assessments; meeting minutes; management presentations; Human Capital action plan; Performance Management Reporting System (PMRS) metrics; previous OIG audit reports; staffing system reports; additional OPM requirements and guidance; and other internal Human Capital documents. We also reviewed the actions of leadership and the culture of Human Capital after allegations of a hostile work environment were reported to the OIG. We obtained testimonial evidence from NARA personnel in Human Capital. Testimonial evidence obtained was corroborated with documentary evidence when available, and through confirmation from multiple NARA personnel. We also obtained physical evidence via observation of HTS staff working in the WTTS, FPPS, and USA Staffing systems.

This performance audit was conducted in accordance with generally accepted government auditing standards between January 2017 and November 2017 at Archives II in College Park, Maryland and the National Personnel Records Center in St. Louis, Missouri. The generally accepted government auditing standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for

our findings and conclusions based on our audit objectives. The audit was conducted by Kimberly Boykin, William Brown, and Kurt Thompson, Senior Program Auditors.

Audit Results

Finding. The Office of Human Capital Did Not Effectively Perform Delegated Duties

NARA's Human Capital did not effectively perform its delegated duties. Specifically, we found the organization to be operating without a strategic plan and a lack of documentation supporting its objectives, priorities, and specific plans to execute delegated responsibilities. We also found non-existent or ineffective internal controls; a negative culture within the organization resulting in allegations of a hostile work environment, including claims of retaliation, harassment, and discrimination; lack of standardized processes, guidance, and training; and ineffective systems marred with data integrity issues.

These conditions existed due to the absence of clear leadership and guidance within Human Capital. The inability for Human Capital leadership to strategically act and recognize the magnitude of problems within the organization significantly contributed to the organization's deterioration and lack of confidence by NARA offices who rely on them for hiring and staffing and to support NARA's strategic goal "To Build Our Future Through Our People."

Until NARA successfully completes the migration to the new shared service provider, the deficiencies identified during the audit represent a material weakness in Human Capital and will continue to have a negative impact on NARA's performance.

Leadership

When NARA hired the former CHCO in June 2013,¹ the CHCO's top priority was to continue taking a comprehensive and integrated approach to human capital management throughout the agency, including a continued commitment to diversity, a focus on excellence in service for internal and external customers, and an emphasis on addressing the needs identified in the Employee Viewpoint Survey (EVS).² NARA announced the CHCO was accustomed to utilizing skills in strategic planning, organizational development, and process improvement to bring about positive change to prior organizations.

¹ This report will refer to NARA's CHCO, whose tenure was from June 2013 through November 2017 as the "CHCO."

² The EVS is a tool that measures employees' perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies. Survey results provide valuable insight into the challenges agency leaders face in ensuring the Federal Government has an effective civilian workforce and how well they are responding.

The Human Capital senior leadership team expanded in February 2016 consisting of a CHCO, Deputy CHCO (DCHCO)³, and four business unit Directors. The organization’s vision was “to build an H organization known for its integrity and authority, celebrated for its performance and team spirit, and viewed as an innovative, trusted partner.” However, we found NARA’s CHCO and Human Capital senior leaders did not define a strategic plan and lacked internal controls to effectively execute delegated responsibilities.

Human Capital Strategy. Once hired, the CHCO inherited the existing *2009-2014 Human Capital Strategic Plan*. However, during the CHCO’s tenure, the plan was never updated. Instead, the CHCO often used informal documents to establish priorities, goals, business approaches, and philosophies. None of these documents outlined how the CHCO’s priorities for the organization would be specifically accomplished and measured. GAO’s *Standards for Internal Control in the Federal Government* requires management to define objectives and risk tolerances. Management objectives should be specific and measurable terms to enable the design of internal control for related risks. Specific terms are fully and clearly set forth so they can be easily understood. Measurable terms allow for the assessment of performance toward achieving objectives.

The CHCO’s 2014 presentation to senior management documented priorities to change the Human Capital organization. Priorities were reiterated in 2015, with some of the 2014 items identified as completed or ongoing. Additionally, many of the priorities identified in 2014 remained priorities in 2017 with no associated actions or outcomes. However, there was no evidence of accomplishments or completion of any of the priorities and we were unable to obtain concrete evidence the CHCO succeeded in delivering or implementing measurable actions aligning with the priorities presented.

PMRS Metrics. There are seven PMRS metrics defined for Human Capital to measure success under NARA’s Strategic Plan Goal 4: Build Our Future through Our People. However, only one of the seven measures for Human Capital was developed and another was a baseline with no target (Tables 1 and 2). GAO’s *Standards for Internal Control in the Federal Government* indicates management defines objectives in measurable terms so that performance toward achieving those objectives can be assessed. Measurable objectives are also stated in a quantitative or qualitative form that permits reasonably consistent measurement.

³ The DCHCO departed NARA in October 2017 and will be referred to as the “DCHCO” in this report.

Table 1: Initiative 4.2.1 – Recruit, sustain, and retain staff.

Metric	Target Developed
% of positions filled within 80 days	Yes
% of hiring managers satisfied with the hiring certification	Being Developed
% positive response to the Performance Culture Index	No Target
Turnover rate for transfers out of NARA as a % of the Government average	Being Developed
% of NARA staff on standardized Position Descriptions	Being Developed

Source: PMRS

Table 2: Initiative 4.2.2 – Create career paths and ensure competencies and skills for a digital environment

Metric	Target Developed
% of NARA staff on standardized Position Descriptions	Being Developed
% of positions covered by authorized Staffing Plans	Being Developed
% positive responses to EVS item 67 - opportunity to get a better job in your organization	Being Developed

Source: PMRS

Internal Control Reports. Each fiscal year, the CHCO is required to provide a statement as to the effectiveness of internal controls and identify any risks or weaknesses in controls they believe need to be communicated to the next highest level of management, through quarterly internal control reports, which culminate in the Annual Assurance Statement. The CHCO's FY 2013 through FY 2015 statements were identical indicating there were no material weaknesses or serious deficiencies in existing internal controls identified during those fiscal years. The CHCO's FY 2016 and FY 2017 statements concluded there were no material weaknesses in controls. Additionally, the statements indicated there was reasonable assurance that the Office of Human Capital's management controls in effect during the years ending September 30, 2016 and 2017, were adequate and effective in ensuring: (1) programs achieved their intended results; (2) resources are used consistent with NARA's mission; (3) programs and resources were protected from waste, fraud, and mismanagement; (4) laws and regulations were followed; and (5) reliable and timely information was obtained, maintained, reported and used for decision. However, as evidenced throughout this report, Human Capital management controls were neither adequate nor effective. The CHCO's statements show failure to identify known internal control weaknesses or a lack of understanding of internal controls.

Culture

The negative culture in HT impeded NARA's ability to meet the value stated in its Strategic Plan, specifically to create an open, inclusive work environment that is built on respect, communication, integrity, and collaborative teamwork. This condition occurred because the [REDACTED] created an alleged hostile work environment through a continued pattern of behavior that produced multiple claims of retaliation and participation in harassment, subjecting employees to fear, and alleged discrimination. Although NARA's leadership took actions [REDACTED], those actions proved to be ineffective in addressing concerns and reports raised to their attention. As a result, the employees in HT lacked the confidence and trust in Human Capital leadership and in many cases, were fearful of losing their jobs. Additionally, the negative culture in HT and low employee morale hindered employees from effectively completing hiring actions which adversely affected many offices with the agency.

GAO's *Standards for Internal Control in the Federal Government* stress tone at the top – management's philosophy and operating style – is fundamental to an effective internal control system. It also emphasizes the importance that the oversight body and management should demonstrate a commitment to integrity and ethical values and stress the importance of integrity and ethical values through their directives, attitudes, and behavior. Additionally, management enforces accountability of individuals performing their internal control responsibilities. Accountability is driven by the tone at the top and supported by the commitment to integrity and ethical values, organizational structure, and expectations of competence, which influence the control culture of the entity.

The OIG interviewed 28 Human Capital staff members regarding the climate of the office and risks facing the office. We identified areas of concern including management structure and style, personnel practices, and staff morale. Specific concerns expressed by HT employees included poor morale, understaffing, lack of leadership support, turnover due to operational issues, stress and negativity, management ineffectiveness, and allegations of a hostile work environment. Repeatedly, staff communicated their distrust of management and lack of confidence in Human Capital leadership. Employees indicated they dreaded coming to work, were fearful of losing their jobs, and were often threatened with progressive discipline.

[REDACTED] actions and negative behavior also led to a high turnover rate within HT. Between February 2016 and October 2017, 15 out of 29 employees left HT. This turnover rate is alarming; however, we did not see evidence supporting the CHCO proactively addressing the negative culture and loss of staffing resources to support NARA's operations. Also, many employees filed administrative grievances, Equal Employment Opportunity (EEO) complaints, and lawsuits against NARA. There were fifteen complaints reported to OIG Investigations directly related to [REDACTED]. NARA employees appeared to have spent a considerable

amount of time responding to grievances, preparing statements, and providing sworn affidavits. NARA [REDACTED].

Human Capital value statements issued by the CHCO in 2013 state:

“Respect: We find out how our employees and customers want to be treated through the open exchange of ideas where immediate judgments are withheld so we can effectively hear the needs of others, value their honesty, and act with patience and integrity.”

Also, the CHCO’s expectations state:

“Give each other the benefit of the doubt and check in before making assumptions. Ask questions. Listen twice as much as you speak.... Be constructive, not destructive. Avoid quick accusations. Lead with your personal integrity. Don’t let your feelings get in the way of finding out the truth.”

However, the value statements and expectations were contradictory to the actions exhibited by [REDACTED] during their [REDACTED] tenure as a leader in Human Capital. The multiple incidents of alleged retaliation, harassment, and discrimination were alarming and should have spurred earlier and more decisive action by the CHCO and NARA. However, no timely actions were taken and [REDACTED] actions and behavior continued to cause employees to allege a hostile work environment.

Standardized Processes, Training, and Systems

Human Capital operated without standardized or updated procedures and did not provide appropriate guidance and training to employees to perform their job responsibilities. Additionally, HT staff utilized ineffective systems that prohibited the employees from efficiently performing their job duties.

Policies and Procedures. We identified 54 NARA Directives for Human Capital. We performed an aging analysis of those policies, and found the average policy was over ten years old. Further, approximately 30% of all Human Capital policies were still in draft and/or interim guidance. The average age of the interim guidance was over 14 years old. Human Capital staff may have had to rely upon outdated information, not in line with current OPM regulations, when applying the policies to current situations. While the CHCO reported to the OIG updating and revising policies was a priority, significant progress was not made in addressing the policy weakness. NARA Directive 111, *NARA Directives*, states all interim policies must be finalized within one year of issuance. GAO’s *Standards for Internal Control in the Federal Government* states management periodically reviews policies, procedures, and related control activities for continued relevance and effectiveness in achieving the entity’s objectives or addressing related risks.

We found a lack of Standard Operating Procedures (SOPs) for the different branches in Human Capital. Multiple Human Capital managers reported the lack of SOPs as a risk facing the office.

Staff also indicated SOPs either did not exist, were outdated, incomplete, or not maintained in a centralized location. For example, HTS lacked sufficient SOPs for staff to rely upon when performing staffing actions. HTS staff communicated: (1) uncertainty in how to appropriately process staffing actions; and (2) conflicting information when discussing the hiring process. Without SOPs, some staff relied upon other staff members, who themselves may not have been entirely familiar with HTS processes. *GAO Standards for Internal Control in the Federal Government* states each unit, with guidance from management, determines the policies necessary to operate the process based on the objectives and related risks for the operational process. Each unit also documents policies in the appropriate level of detail to allow management to effectively monitor the control activity. Without SOPs in place, employees may not be consistently performing their job responsibilities.

Training. Many employees from multiple Human Capital branches expressed a concern with the lack of training within Human Capital. Further, a lack of training within HTS was cited as a determining factor in the changes made to the HTS branch and HTS leadership. When the DCHCO became the Director of HT, the DCHCO implemented weekly training sessions. The DCHCO assigned staff to research and present to staff on various topics, indicating this training method provided staff development opportunities. While we recognize internal peer-to-peer training could be useful, the execution of the peer-to-peer training was ineffective. We found there was no clear plan for the training of HTS staff. Management did not develop a strategy for ensuring HTS staff received all necessary training nor was there any analysis performed to determine what skills and/or knowledge was most needed by staff. Instead, staff members chose what topics to present, researched the topic, and created a presentation based on their own findings and understanding. Further, the majority of the training was conducted by either assistants or a junior-level Human Resources Specialists (HRS) that may not have had the knowledge or expertise to be trainers.

We also found some HTS staff did not receive required OPM training. NARA fills some of its competitive service jobs through its Delegated Examining Authority from OPM.⁴ A delegated examining office has two responsibilities: (1) to ensure that the agency's vacant positions are filled with the best-qualified persons from a sufficient pool of well-qualified eligibles; and (2) to uphold the laws, regulations, and policies of merit selection. According to OPM's *Delegated Examining Operations Handbook: A Guide for Federal Agency Examining Offices*, all employees involved in delegated examining activities must receive initial training from OPM. Individuals who successfully complete this initial training are certified to perform delegated examining work, including auditing certificates. NARA HTS Branch Chiefs were tasked with auditing all certificates for jobs filled under NARA's delegated examining authority. However, we found only one of two HTS Branch Chiefs had received the required training. The other HTS

⁴ Under 5 U.S.C. § 1104, OPM delegated to agencies the authority to conduct competitive examinations for positions in the competitive service.

Branch Chief, along with the Human Resources Officer (HRO),⁵ had not received the required training, and therefore could not perform the audits. The auditing duties were assigned to a [REDACTED] who was certified to conduct the audits but had recently been reassigned (per management direction) to a Quality Control (QC) position. Although no longer assigned as an [REDACTED], this employee was tasked with auditing all delegated examining certificates for the new HTS Branch Chief who was not authorized to audit the certificates.

Hiring Functions. NARA was unable to consistently meet OPM's 80-day hiring model. OPM established an 80-day hiring model in its *End-to-End Hiring Initiative*. OPM granted agencies the authority to allot different times for each step of the model, as long as the end-to-end hiring process occurred within 80 days. NARA outlined the number of days to complete each step of the hiring model, and tracked the total 80-day timeframe in PMRS. NARA starts the hiring model when the request to hire is initiated within FPPS and ends the model when a firm offer is made. However, as of September 2017, NARA only completed end-to-end hiring within 80 days 53 percent of the time. This condition was attributed to ineffective employees, lack of policies governing the hiring process, system delays, and staffing shortages. Delayed and untimely hiring caused NARA program offices to be unable to fill mission-critical positions and affected NARA's ability to attract top candidates.

As a result of being unable to meet the OPM 80-day hiring model, NARA also consistently maintained a hiring backlog. This hiring backlog consisted of positions approved to be filled, but HTS had not yet started the hiring actions. However, the information on the size of the backlog was found by the OIG to be unsubstantiated. Specifically, the DCHCO reported a 300-position backlog. When the OIG obtained support for the hiring backlog, we were unable to use the information to arrive at the 300-position total reported by the DCHCO. Instead, we determined the hiring backlog was approximately 50 positions. The hiring backlog was attributed to staffing shortages within the branch, and then a halt to staffing services put in place by the DCHCO who stopped all HTS hiring for three-weeks so staff could focus on training needs.

The audit also noted two issues with NARA's electronic Official Personnel Folder (eOPF) processes.⁶ First, NARA maintained a significant backlog of eOPF information which had not been scanned timely into the system. Although management was aware of this issue, the eOPF backlog continued to exist, and HTS staff were unable to quantify the true extent of the eOPF backlog because they did not make it a priority. Cleaning up eOPF files and eOPF backlog was

⁵ NARA's HRO leads HTS.

⁶ NARA uses the eOPF to document the electronic version of records for an individual's federal employment career. Records such as within-grade increases, promotions, and benefits information are maintained in each employees' eOPF.

a focus of HTS staff during the 2017 hiring freeze;⁷ however, the eOPF backlog was not eliminated as planned during this time. Second, NARA did not always request and receive the eOPF for new employees transferring from another Federal agency. For example, one NARA employee started at NARA in May 2016. One year later, in May 2017, this employee reviewed their eOPF and determined all documents from their former agency were not transferred. When the employee inquired with NARA staff, it was determined NARA had not made the request to the former agency for the records as they should have. While this is one example, there remains the risk other NARA employees face a similar situation where none of their records documenting their prior Federal service are maintained in their eOPF.

Quality Control. In June 2016, [REDACTED] was management-directed reassigned into a QC position, despite this employee having no experience in QC. Further, the employee received a position description for an HRS (Information Systems) position, which did not correctly detail the employee's new responsibilities. After three months in the new position, a new position description (HRS (Accountability)) was provided to the employee. A performance plan for the new position was not issued until January 2017. To meet fully successful standards, the performance plan required the QC position to be accountable for reviewing all applicable reports, not a sample of reports, at 90-94% accuracy. Other specifications for the position required 95% accuracy rates. Despite the stringent requirements placed on the position, no policies or guidance were created to document the work requirements. There were also no documented policies concerning how the QC position duties and supervisory duties of HTS Branch Chiefs aligned. For example, the QC position reviewed all applicable reports and actions of HTS specialists and assistants, while we found supervisors conducted a more limited review. Further, one HTS Branch Chief stated they relied upon the QC position to catch mistakes.⁸

Systems and Data Integrity

Hiring Systems. The systems used by NARA in the hiring process were outdated and cumbersome. Employees reported problems using the systems, stating the systems were not intuitive or easy-to-use. The OIG accessed the systems and noted many of the same issues. Further, NARA uses multiple systems during the hiring process that do not interface, meaning identical information must be manually entered multiple times. In some cases naming conventions are different for various fields, even though the same information is input (e.g. Job Number instead of Job ID). NARA paid for an onboarding module through USA Staffing it did

⁷ On January 23, 2017, President Trump issued a Presidential Memorandum ordering a freeze on the hiring of Federal civilian employees to be applied across the board in the executive branch.

⁸ As detailed above, this HTS Branch Chief was not trained to perform delegated examining audits, and the QC employee was required to perform those audits for the HTS Branch Chief.

not utilize. Staff familiar with the USA Staffing onboarding module stated it would be an improvement over the currently used module.⁹

Data Integrity Issues. Staff reported an HRS used test data in a live hiring system during a training session. The system was not properly equipped to remove the test data causing the erroneous data to remain in the system. Test data being used in the live systems occurred multiple times, causing erroneous data to impact system reports and hiring actions. The erroneous data issue is evidence of a sustained absence of internal controls over data integrity and is one of many factors contributing to an overall lack of confidence in Human Capital data.

The OPM Standard Form (SF) 50, *Notification of Personnel Action* is the official notice of a personnel action. Block 31 of the SF50 is the Service Computation Date (SCD).¹⁰ The date entered in Block 31 is generally the employee's start date of Federal employment, but based on factors such as prior creditable service, the SCD may have to be calculated by Human Capital staff. The SCD is used for leave computation, an employee's retirement date, and if a Reduction-in-Force is instituted. The accuracy of the SCD is critical for each employee in the agency. HTS obtained the services of an HRS from another Human Capital branch, Performance Management and Benefits (HPP), to perform a 120-day detail reviewing SCDs. This HRS found a multitude of errors during the detail, and communicated the errors and recommended to the CHCO that additional work needed to be performed. Specifically, the agency found errors in the computations of some employee SCDs, as some current and previous HRS lack the knowledge to correctly calculate SCDs.

We found multiple errors in employee SCDs. We learned one NARA employee planned their retirement based upon an inaccurate SCD. Upon the processing of the employee's retirement paperwork, the SCD was found to be inaccurate, and the employee had to continue working for an additional three months. Additionally, one employee entered NARA in 2009 without any prior creditable service. However, the employee's SCD in NARA's system is 2006. The OIG's analysis of SCDs revealed dates of questionable accuracy.

⁹ While NARA will continue to use its existing systems during the transition to its shared service provider, eventually the shared service provider will provide new systems for personnel, recruitment, and time and attendance.

¹⁰ OPM's *Guide to Processing Personnel Actions*, defines SCDs as date, either actual or constructed, that is used to determine benefits and is generally based on how long the person has been in the Federal Service.

Recommendations

We recommend the Chief of Management and Administration ensure:

Recommendation 1: All NARA Human Capital policies are reviewed, revised, finalized, and implemented.

Management Response

NARA concurs with this recommendation. NARA will ensure all NARA Human Capital policies are reviewed, revised, finalized, and implemented within 18 months after completion of the ongoing migration to a new human resources shared services provider. We tentatively expect to begin migration in the third quarter of FY 2019.

Target Completion Date: December 31, 2020

OIG Analysis

We consider NARA's proposed actions responsive to our report recommendations. All recommendations will remain open and resolved, pending completion of the corrective actions identified above.

Recommendation 2: All electronic Official Personnel Folders for employees with previous federal employment have been transferred to NARA. Also, ensure all employee official records while employed at NARA are uploaded into the eOPF.

Management Response

NARA is currently conducting a 100% review of employee eOPF files. This review includes verifying prior service at other Federal agencies and ensuring all service while employed by NARA is appropriately documented in the employees' eOPF. All employee eOPFs will be reviewed again by the new shared services provider after migration.

Target Completion Date: December 31, 2020

OIG Analysis

We consider NARA's proposed actions responsive to our report recommendations. All recommendations will remain open and resolved, pending completion of the corrective actions identified above.

Recommendation 3: A review of system data integrity is conducted and erroneous data is removed from Human Capital systems.

Management Response

NARA is currently reviewing HR system data to ensure accuracy of employee data. We are separately reviewing aged personnel actions and long-standing vacant positions with

the goal of eliminating unnecessary actions and vacancies. Our data will be reviewed again by the new shared services provider as a part of migration.

Target Completion Date: December 31, 2020

OIG Analysis

We consider NARA's proposed actions responsive to our report recommendations. All recommendations will remain open and resolved, pending completion of the corrective actions identified above.

Recommendation 4: All SCDs are accurate.

Management Response

NARA is conducting a 100% review of employee Service Computation Dates (SCD). All employee SCDs will be reviewed again by the new shared services provider after migration.

Target Completion Date: December 31, 2020

OIG Analysis

We consider NARA's proposed actions responsive to our report recommendations. All recommendations will remain open and resolved, pending completion of the corrective actions identified above.

We recommend the Chief of Management and Administration:

Recommendation 5: Identify ways to improve Human Capital's culture that demonstrate NARA's values.

Management Response

The Office of Human Capital has prepared an Office Level People Strategy as a part of the agency-wide Workplace Culture program. Human Capital will provide the OIG with a copy of the Office's FY 2018 year-end close-out report.

Target Completion Date: November 30, 2018

OIG Analysis

We consider NARA's proposed actions responsive to our report recommendations. All recommendations will remain open and resolved, pending completion of the corrective actions identified above.

We recommend the Chief Risk Officer and Chief of Management and Administration:

Recommendation 6: Recommend the Management Control Oversight Council (MCOC) consider reporting the Human Capital deficiencies identified in the audit report as a material weakness under Federal Managers' Financial Integrity Act (FMFIA).

Management Response

The CRO and CMA will recommend the MCOC consider reporting Human Capital as a FMFIA weakness in FY 2018.

Target Completion Date: September 30, 2018

OIG Analysis

We consider NARA's proposed actions responsive to our report recommendations. All recommendations will remain open and resolved, pending completion of the corrective actions identified above.

Appendix A – Acronyms

Acronym	Definition
CHCO	Chief Human Capital Officer
CMA	Chief of Management and Administration
DCHCO	Deputy Chief Human Capital Officer
EEO	Equal Employment Opportunity
EODS	Entrance-on-Duty System
eOPF	Electronic Official Personnel File
EVS	Employee Viewpoint Survey
FMFIA	Federal Managers' Financial Integrity Act
FPPS	Federal Personnel Payroll System
FTE	Full-Time Equivalents
FY	Fiscal Year
GAO	Government Accountability Office
HPP	Performance Management and Benefits Branch
HRO	Human Resources Officer
HRS	Human Resources Specialist
HT	Talent Acquisition Division
HTS	Staffing and Recruitment Branch
MCOC	Management Control Oversight Council
NARA	National Archives and Records Administration
OIG	Office of Inspector General
OPM	Office of Personnel Management
PMRS	Performance Measurement and Reporting System
QC	Quality Control
SCD	Service Computation Date
SF	Standard Form
SOP	Standard Operating Procedure
WTTS	Workforce Transformation Tracking System

Appendix B – Management Response



Date: MAY 22 2018
To: James Springs, Inspector General
From: David S. Ferriero, Archivist of the United States
Subject: Management's Response to OIG Report 18-AUD-09, *Audit of NARA's Human Capital Practices*

Thank you for the opportunity to provide comments on this final report. We appreciate your willingness to meet and clarify language in the report.

We concur with the six recommendations in this audit, and in response, the attachment provides a summary of our proposed actions. As each recommendation is satisfied, we will provide documentation to your office. If you have questions about this action plan, please contact Kimm Richards at kimm.richards@nara.gov or by phone at 301-837-1668.



DAVID S. FERRIERO
Archivist of the United States

Attachment

NATIONAL ARCHIVES *and*
RECORDS ADMINISTRATION
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COLLEGE PARK, MD 20740-6001
www.archives.gov

**Action Plan Response to OIG Report 18-AUD-09,
Audit of NARA's Human Capital Practices**

Recommendation 1: We recommend the Chief of Management and Administration ensure all NARA Human Capital policies are reviewed, revised, finalized, and implemented.

Planned Action: NARA will ensure all NARA Human Capital policies are reviewed, revised, finalized, and implemented within 18 months after completion of the ongoing migration to a new human resources shared services provider. We tentatively expect to begin migration in the third quarter of FY 2019.

Target Completion Date: December 31, 2020

Recommendation 2: We recommend the Chief of Management and Administration ensure all electronic Official Personnel Folders for employees with previous federal employment have been transferred to NARA. Also, ensure all employee official records while employed at NARA are uploaded into the eOPF.

Planned Action: NARA is currently conducting a 100% review of employee eOPF files. This review includes verifying prior service at other Federal agencies and ensuring all service while employed by NARA is appropriately documented in the employees' eOPF. All employee eOPFs will be reviewed again by the new shared services provider after migration.

Target Completion Date: December 31, 2020

Recommendation 3: We recommend the Chief of Management and Administration ensure a review of system data integrity is conducted and erroneous data is removed from Human Capital systems.

Planned Action: NARA is currently reviewing HR system data to ensure accuracy of employee data. We are separately reviewing aged personnel actions and long-standing vacant positions with the goal of eliminating unnecessary actions and vacancies. Our data will be reviewed again by the new shared services provider as a part of migration.

Target Completion Date: December 31, 2020

Recommendation 4: We recommend the Chief of Management and Administration ensure all SCDs are accurate.

Planned Action: NARA is conducting a 100% review of employee Service Computation Dates (SCD). All employee SCDs will be reviewed again by the new shared services provider after migration.

Target Completion Date: December 31, 2020

Recommendation 5: We recommend the Chief of Management and Administration identify ways to improve Human Capital's culture that demonstrate NARA's values.

Planned Action: The Office of Human Capital has prepared an Office Level People Strategy as a part of the agency-wide Workplace Culture program. Human Capital will provide the OIG with a copy of the Office's FY 2018 year-end close-out report.

Target Completion Date: November 30, 2018

Recommendation 6: We recommend the Chief Risk Officer and Chief of Management and Administration recommend the Management Control Oversight Council (MCOC) consider reporting the Human Capital deficiencies identified in the audit report as a material weakness under Federal Managers' Financial Integrity Act (FMFIA).

Planned Action: The CRO and CMA will recommend the MCOC consider reporting Human Capital as a FMFIA weakness in FY 2018.

Target Completion Date: September 30, 2018

Appendix C – Report Distribution List

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